

FEDERAL REGISTER

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Agencies in this issue—

The President
Agricultural Stabilization and
Conservation Service
Army Department
Civil Aeronautics Board
Civil Service Commission
Comptroller of the Currency
Consumer and Marketing Service
Federal Aviation Agency
Federal Maritime Commission
Federal Power Commission
Federal Trade Commission
Fish and Wildlife Service
General Services Administration
Internal Revenue Service
Interstate Commerce Commission
Justice Department
Land Management Bureau
Navy Department
Securities and Exchange Commission
Treasury Department

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How To Find U.S. Statutes and U.S. Code Citations

[Revised Edition—1965]

This pamphlet contains typical legal references which require further citing. The official published volumes in which the citations may be found are shown alongside each reference—with suggestions as to the logical sequence to follow in using them. Additional finding aids, some especially useful in citing current legislation, also have been in-

cluded. Examples are furnished at pertinent points and a list of references, with descriptions, is carried at the end.

This revised edition contains illustrations of principal finding aids and reflects the changes made in the new master table of statutes set out in the 1964 edition of the United States Code.

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Title 3—THE PRESIDENT

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MOTHER'S DAY, 1966

By the President of the United States of America

A Proclamation

By love, by teaching, and by example, mothers have shaped the lives of men and the destinies of nations.

Through each succeeding generation American mothers have inspired their children to seek right action, to temper harsh judgment with mercy, to treasure all that is noble in human character.

Each time the courage of its sons is tested in battle, each time the compassion of its people is summoned by tragedy, want, or oppression, America has cause to thank God for the guiding spirit of motherhood.

On the second Sunday in May of each year, we celebrate that spirit and its gifts: mutual affection, steadfast devotion to family life, care and nourishment for the individual soul. On this day and throughout the year, we rejoice in the strength of character American mothers have instilled in generations of our people.

On this day, our minds acknowledge the great debt mankind owes to mothers. Our hearts declare its truth. We resolve anew to make our lives tributes and memorials to those who have proven the most potent and vital force for good in the world—the mothers of men.

On May 8, 1914, the Congress by joint resolution requested the President to issue a proclamation calling for the observance of Mother's Day.

NOW, THEREFORE, I, LYNDON B. JOHNSON, President of the United States of America, do hereby request that Sunday, May 8, 1966, be observed as Mother's Day; and I direct the appropriate officials of the Government to display the flag of the United States on all Government buildings on that day.

I call upon all Americans to make Mother's Day a truly memorable occasion by expressing both publicly and privately their love and reverence for their Mothers through participating in religious and other suitable observances in their honor and through loving acts of affection and esteem.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

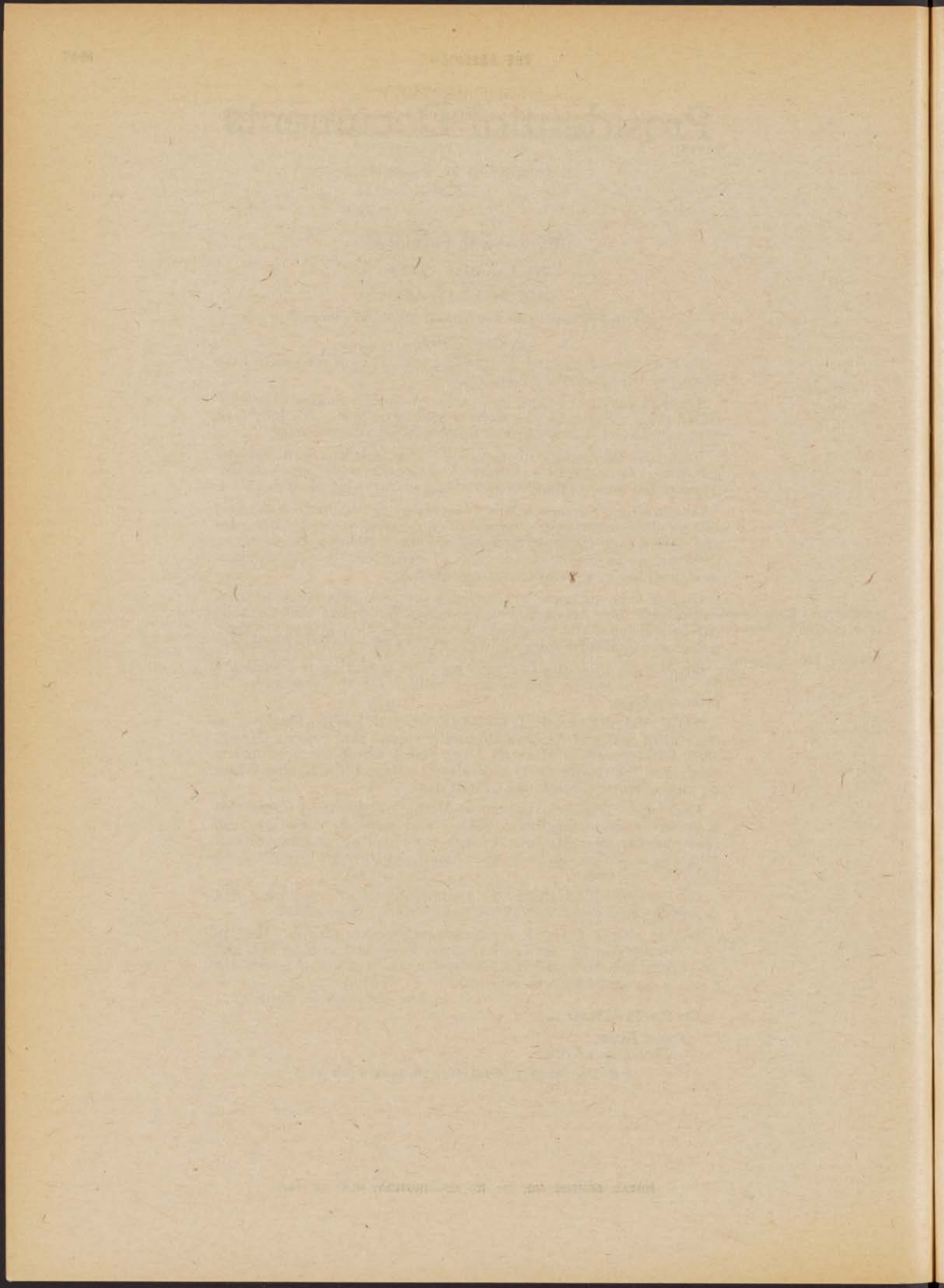
DONE at the City of Washington this sixth day of May in the year of our Lord nineteen hundred and sixty-six, and
[SEAL] of the Independence of the United States of America the one hundred and ninetieth.

LYNDON B. JOHNSON

By the President:

DEAN RUSK,
Secretary of State.

[F.R. Doc. 66-5241; Filed, May 10, 1966; 3:33 p.m.]



Executive Order 11279

**ESTABLISHING THE PRESIDENT'S COMMITTEE ON HEALTH MANPOWER
AND THE NATIONAL ADVISORY COMMISSION ON HEALTH MAN-
POWER**

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. *Establishment of Committee.* (a) There is hereby established the President's Committee on Health Manpower (hereinafter referred to as the "Committee").

(b) The Committee shall be composed of the Director of the Office of Science and Technology, who shall be the Chairman of the Committee; the Secretary of Defense; the Secretary of Health, Education, and Welfare; the Secretary of Labor; the Administrator of Veterans Affairs; the Director of the Office of Economic Opportunity; the Director of the Office of Emergency Planning; and the Director of the Selective Service System. Each member of the Committee may designate an alternate, who shall serve as a member of the Committee whenever the regular member is unable to attend any meeting of the Committee.

SEC. 2. *Duties of the Committee.* (a) The Committee shall:

(1) Appraise the current and prospective national requirements for, and availability of, manpower to meet the health needs of the civilian population and the armed forces;

(2) Evaluate existing and alternative policies, programs, and practices of public agencies and private institutions and organizations for increasing health manpower and assuring maximum effective use thereof; and

(3) Develop appropriate recommendations for action by Government or by private institutions, organizations, or individuals for improving the availability and utilization of health manpower.

(b) Such recommendations shall take into account the final report of the National Advisory Commission on Health Manpower established by Section 3 of this order, which report shall be transmitted to the President with the recommendations of the Committee.

SEC. 3. *Establishment of Commission.* (a) To assist the Committee in carrying out its functions under Section 2 of this order, there is hereby established the National Advisory Commission on Health Manpower (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of fifteen members appointed by the President, none of whom shall be officers or full-time employees of the Federal Government. The President shall designate the Chairman of the Commission from among its members.

(c) The Commission shall meet on call of the Chairman.

(d) Each member of the Commission may be compensated for each day such member is engaged upon work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 55a; 5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(e) The Commission shall have an Executive Director, who shall be designated by the President. Under the direction and supervision of the Chairman, the Executive Director shall direct and supervise staff assigned to assist the Commission in carrying out its responsibilities under this order.

SEC. 4. *Duties of the Commission.* (a) The Commission shall transmit to the Committee its independent analysis, evaluation, and recommendations with respect to all matters assigned to the Committee for study and recommendations.

(b) In carrying out its duties under subsection (a) above, the Commission shall:

(1) Make a comprehensive study and appraisal of the current situation and trends in the provisions of health care for the civilian population and the armed forces and their implications with respect to the current and prospective adequacy and utilization of manpower;

(2) Appraise the current policies, programs, and practices of public agencies and private institutions and organizations and other factors which have a bearing on the requirements for, and the availability of, health manpower and the effective allocation and utilization of such manpower; and

(3) Develop appropriate recommendations for action by Government or by private institutions, organizations, or individuals for improving the availability and utilization of health manpower.

(c) The Commission shall submit its final report and recommendations to the Committee no later than one year after the date of its first meeting, and shall make such interim reports as it deems will contribute to improving the availability and utilization of health manpower.

SEC. 5. *Federal departments and agencies.* (a) The Committee or the Commission is authorized to request from any Federal department or agency any information deemed necessary to carry out its functions under this order; and each department or agency is authorized, consistent with law and within the limits of available funds, to furnish such information to the Committee or the Commission.

(b) Each department or agency the head of which is named in Section 1(b) of this order shall, as may be necessary, furnish assistance to the Committee or the Commission in accordance with the provisions of Section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691), or as otherwise permitted by law.

(c) The Office of Science and Technology is hereby designated as the agency which shall, on a reimbursable basis, provide administrative services for the Commission.

SEC. 6. *Termination of the Committee and the Commission.* The Committee and the Commission shall terminate ninety days after the final report of the Commission is submitted to the Committee.

LYNDON B. JOHNSON

THE WHITE HOUSE,
May 7, 1966.

[F.R. Doc. 66-5265; Filed, May 11, 1966; 10:22 a.m.]

Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Treasury Department

Section 213.3305 is amended to show that the positions of Confidential Administrative Assistant to the Treasurer of the United States and Confidential Assistant to the Commissioner of Customs are no longer excepted under Schedule C. Effective on publication in the *FEDERAL REGISTER*, § 213.3305 is amended by revoking paragraph (b) in its entirety, and subparagraph (3) of paragraph (c).

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954-1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 66-5200; Filed, May 11, 1966; 8:49 a.m.]

PART 213—EXCEPTED SERVICE

Department of the Interior

Section 213.3312 is amended to show that the following three positions are no longer excepted under Schedule C: Private Secretary to the Director, Geological Survey; Private Secretary to the Commissioner, Bureau of Reclamation; and Chief, Division of Insular Affairs, Office of Territories. Effective on publication in the *FEDERAL REGISTER*, § 213.3312 is amended by revoking paragraph (e) in its entirety, subparagraph (1) of paragraph (f), and subparagraph (3) of paragraph (1).

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954-1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 66-5198; Filed, May 11, 1966; 8:49 a.m.]

PART 213—EXCEPTED SERVICE

Small Business Administration

Section 213.3332 is amended to show that one of the positions of Special and Confidential Assistants to the Administrator and the position of Director, Office of Public Information, are no longer excepted under Schedule C. Effective on

publication in the *FEDERAL REGISTER*, paragraph (c) of § 213.3332 is amended and paragraph (y) of that section is revoked, as set out below.

§ 213.3332 Small Business Administration.

(c) *One Special and Confidential Assistant to the Administrator.*

(y) [Revoked]

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954-1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 66-5199; Filed, May 11, 1966; 8:49 a.m.]

PART 772—APPEALS TO THE COMMISSION

Hearing Procedures

In F.R. Doc. 66-4791 appearing in the issue for Tuesday, May 3, 1966, at page 6569, the effective date of the amendment of paragraph (c) of § 772.305 should be June 2, 1966.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended, secs. 11, 14, 19, 58 Stat. 390, 391, as amended, sec. 1101, 63 Stat. 971, sec. 113, 68 Stat. 1108; 5 U.S.C. 631, 633, 860, 863, 868, 1072, 1072a; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954-1958 Comp., p. 218, E.O. 10988, 27 F.R. 551)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 66-5201; Filed, May 11, 1966; 8:49 a.m.]

Title 12—BANKS AND BANKING

Chapter I—Bureau of the Comptroller of the Currency, Department of the Treasury

MISCELLANEOUS AMENDMENTS TO CHAPTER

These amendments are issued under authority of R.S. 324, et seq., as amended; 12 U.S.C. 1 et seq., and the Securities Exchange Act of 1934 (15 U.S.C. 78) as amended. Since the amendments are for clarification and codification of existing regulations only, notice and public procedure are found to be unnecessary and not in the public interest. Accordingly, the amendments will become effective upon publication.

Parts 10, 11, 12, 13, 14, and 16 are revised, and new Part 15 (formerly § 12.1) is added, as follows:

PART 10—ANNUAL REPORT TO STOCKHOLDERS

Sec.

10.1 Scope and application.

10.2 No private right of action hereunder.

10.3 Information to be furnished stockholders.

10.4 Filing of report.

AUTHORITY: The provisions of this Part 10 issued under R.S. 324 et seq. as amended; 12 U.S.C. 1, et seq., secs. 12(g) and 13(a) (2), Securities Exchange Act of 1934, as amended.

§ 10.1 Scope and application.

(a) Every national bank having a class of equity security held of record by 750 or more persons (after May 1, 1967, 500 or more persons) shall mail a written report containing, as a minimum, the financial and other information called for by this part, to each of its stockholders in time to be received by them prior to the bank's annual meeting, but in no event later than 60 days after the close of the fiscal year.

(b) On and after May 1, 1965, compliance with the requirements of § 10.4 shall be deemed a registration under section 12(g) of the Securities and Exchange Act of 1934, as amended, of any class of equity securities heretofore issued by a national bank and held of record by 750 or more persons (after May 1, 1967, 500 or more persons).

(c) Notwithstanding the foregoing, any national bank prior to listing any class of its securities on a national securities exchange shall have filed a registration statement in accordance with the applicable provisions of Part 16 of this chapter, which has been declared effective by the Comptroller of the Currency.

[Instruction: This part applies to issues of equity securities presently outstanding that are now held or may in the future become held of record by 750 or more persons (after May 1, 1967, 500 or more persons). The registration requirements applicable to public offerings made hereafter are found in Part 16 of this chapter.]

§ 10.2 No private right of action hereunder.

The enforcement of Parts 10, 11, 15, and 16 of this chapter shall be a function solely of the Office of the Comptroller of the Currency and no provision of the regulation in these parts (Parts 10, 11, 15, and 16 of this chapter) is intended to confer any private right of action on any stockholder or other person against a national bank.

§ 10.3 Information to be furnished stockholders.

The annual report shall bear the written, printed or facsimile signature

of the Chairman of the Board, President or other executive officer of the bank and shall include, as a minimum, the following information:

(a) Comparative balance sheets as of the close of the last fiscal year and as of the close of the preceding fiscal year.

(b) Comparative statements disclosing net operating income after applicable federal income taxes, net operating income per share, and cash dividends paid per share for the fiscal year and preceding fiscal year.

(c) A comparative reconciliation of capital accounts which summarizes the changes in the capital accounts for the last fiscal year and the preceding fiscal year.

§ 10.4 Filing of report.

Two copies of the annual report shall be filed with the Comptroller of the Currency, Washington, D.C.; one copy with the appropriate Regional Administrator of National Banks; and one copy maintained at the office of the bank. Such reports will be available for public inspection upon request, at the principal office of the reporting bank and at the Office of the Comptroller of the Currency, Washington, D.C., during normal business hours.

PART 11—SOLICITATION OF PROXIES

- Sec.
- 11.1 Scope and application.
- 11.2 Definitions.
- 11.3 Information to be furnished stockholders.
- 11.4 Material to be filed with Comptroller.
- 11.5 Special provisions applicable to election contests.
- 11.6 Special circumstances.
- Schedule A.
- Schedule B.
- Schedule C.

AUTHORITY: The provisions of this Part 11 issued under R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq., secs. 12(i), 14(a) and 14(c); Securities Exchange Act of 1934, as amended.

§ 11.1 Scope and application.

This part shall apply to every solicitation of a proxy with respect to stock of a national bank having a class of equity securities held of record by 750 or more persons (after May 1, 1967, 500 or more persons).

§ 11.2 Definitions.

(a) The term "principal officer" as used in this part means Chairman of the Board, Vice Chairman of the Board, President, Senior Vice President, Cashier, Chairman of the Executive Committee, and any other person who performs functions corresponding to those performed by the foregoing officers.

(b) (1) The terms "solicit" and "solicitation" include:

(i) Any request for a proxy whether or not accompanied by or included in a form of proxy;

(ii) Any request to execute or not to execute, or to revoke, a proxy; or

(iii) The furnishing of a form of proxy or other communication to security

holders under circumstances reasonably calculated to result in the procurement, withholding, or revocation of a proxy.

(2) The terms do not include:

(i) Any solicitation by a person in respect of stock of which he is the beneficial owner;

(ii) The action of a broker or other person in respect to stock carried in his name or in the name of his nominee, in forwarding to the beneficial owner of such stock, soliciting material received from the bank, or impartially instructing such beneficial owner to forward a proxy to the person, if any, to whom the beneficial owner desires to give a proxy, or impartially requesting from the beneficial owner instructions as to the authority to be conferred by the proxy and stating that a proxy will be given if the instructions are received by a certain date.

(c) The term "person" as used in this part is not limited to natural persons, but also includes corporations, partnerships, pension funds, profit-sharing funds, and any other organized group of persons of whatever nature.

§ 11.3 Information to be furnished stockholders.

(a) No solicitation subject to this part shall be made by or on behalf of a national bank unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the applicable information specified in Schedules A and B.

(b) The form of proxy shall afford the person solicited an opportunity to specify his choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon. The proxy may provide that if the signer does not indicate a choice, the shares represented thereby will be voted in favor of the matters set forth therein.

(c) A proxy may confer discretionary authority with respect to matters which may come before the meeting other than those matters listed in the notice of meeting and proxy statement, provided that the persons on whose behalf the solicitation is made are not aware a reasonable time prior to the time the solicitation is made, that any such other matters are to be presented by or on behalf of the bank or its management for action at the meeting, and provided further that a specific statement to that effect shall be made in the proxy statement or in the form of proxy.

(d) No proxy shall confer authority (1) to vote for the election to any position for which a proposed nominee is not named in the proxy statement, or (2) to vote at any meeting other than the next meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to stockholders.

(e) Any person or group of persons, including directors or attorneys for the bank may be designated to act as proxy but not officers, clerks, tellers or bookkeepers of the bank.

§ 11.4 Material to be filed with Comptroller.

(a) Three preliminary copies of the proxy statement and form of proxy and any other soliciting material to be furnished to security holders concurrently therewith shall be filed with the Comptroller at least 10 days prior to the date definitive copies of such material are proposed to be sent or given to security holders, or such shorter period prior to that date as the Comptroller may authorize upon a showing of good cause therefor. Where preliminary copies of material are filed with the Comptroller pursuant to this rule, the distribution to security holders should be deferred until the comments of the Comptroller's staff have been received and complied with. Three copies of the final material shall be mailed to the Comptroller, concurrently with mailing to security holders.

(b) Three preliminary copies of any additional soliciting material, relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with the Comptroller at least 2 days (exclusive of Saturdays, Sundays, or holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as the Comptroller may authorize upon a showing of good cause therefor.

§ 11.5 Special provisions applicable to election contests.

(a) Solicitation to which this section applies: This section applies to any solicitation subject to this part by any person for the purpose of opposing a solicitation subject to this part by any other person with respect to the election of directors at any annual or special meeting of security holders.

(b) For the purpose of this section, the term "participant" includes nominees for whose election proxies are solicited, and any other person, acting alone or in conjunction with one or more other persons, in organizing, directing or financing the solicitation, provided however that such term does not include (1) any person or organization retained or employed by a participant to solicit security holders, or any person who merely transmits proxy soliciting material or performs ministerial or clerical duties; (2) any person employed by a participant in the capacity of attorney, accountant, or advertising, public relations or financial adviser, and whose activities are limited to the performance of his duties in the course of such employment; (3) any person regularly employed as an officer or employee of the issuer or any of its subsidiaries who is not otherwise a participant; or (4) any officer or director of, or any person regularly employed by, any other participant, if such officer, director, or employee is not otherwise a participant.

(c) Filing of information required by Schedule C: (1) No solicitation subject to this section shall be made by any person other than the management of a national bank unless at least 5 business days prior thereto, or such shorter period

as the Comptroller may authorize, there has been filed with the Comptroller by or on behalf of each participant in such solicitation, a statement in triplicate containing the information specified by Schedule C and a copy of any material proposed to be distributed to stockholders in furtherance of such solicitation. (See paragraph (d) of this section for description of material required to be furnished security holders by non-management solicitors.) Simultaneously with the filing of such material with the Comptroller, one copy of all such material shall be sent by first class, registered or certified mail to the attention of the President or Senior Vice President of the bank at its main office. Where preliminary copies of material are filed with the Comptroller pursuant to this rule, distribution to stockholders should be deferred until the comments of the Comptroller's staff have been received and complied with.

(2) Within 5 business days after a solicitation subject to this section is made by the management of a national bank, or such longer period as the Comptroller may authorize, there shall be filed with the Comptroller by or on behalf of each management nominee for director a statement in triplicate containing the information specified by Schedule C.

(3) If, subsequent to the filing of the statements required by subparagraph (1) of this paragraph, additional persons become participants in a solicitation subject to subparagraph (1) of this paragraph, there shall be filed, with the Comptroller, by or on behalf of each such person a statement in triplicate containing the information specified by Schedule C, within three business days after such person becomes a participant, or such longer period as the Comptroller may authorize.

(4) If any material change occurs in the facts reported in any statement filed by or on behalf of any participant, an appropriate amendment to such statement shall be filed promptly with the Comptroller.

(5) Each statement and amendment thereto filed pursuant to this paragraph (c) shall be part of the public files of the Office of the Comptroller of the Currency. Simultaneously with the filing of such material with the Comptroller, one copy of all such material shall be sent by first class, registered or certified mail to the attention of the President or Senior Vice President of the bank at its main office.

(d) Furnishing to security holders of information required by Schedule C: No solicitation subject to this section shall be made by any person other than the management of a national bank unless each person solicited is furnished with a proxy statement containing the information required by Schedule C as to each participant in the solicitation, and also containing such information called for by Schedules A and B as is applicable to the agenda items for which the proxy is solicited, so far as such information is known or is available to the solicitor. Responsibility for the accuracy of information contained in nonmanagement

solicitations shall be on the solicitors and not on the bank.

§ 11.6 Special circumstances.

In cases where special circumstances render compliance with one or more of the requirements of this part impracticable, the Comptroller may, in his discretion, modify or waive any such requirement, consistent with the public interest.

SCHEDULE A

Item 1. *Amount of outstanding stock and principal holders thereof.* (a) State the total number of shares of each class outstanding and the number of shares of each class entitled to vote.

(b) State the date as of which the list of stockholders entitled to vote at the meeting will be determined. If the right to vote is not limited to stockholders of record on that date, indicate the conditions under which other stockholders may be entitled to vote.

Item 2. *Nominees for directors.* (a) If action is to be taken with respect to the election of directors, the following information, to the extent practicable, shall be furnished with respect to each person nominated for election as a director; such person's name, age, present principal occupation or employment and the principal office, if any, with the bank presently held by him.

(b) If the Articles of Association permit the board of directors to increase the number of directors between stockholder's meetings and fill vacancies created thereby, state the number of vacancies which may be so filled.

Item 3. *Remuneration of management.* If directors are to be elected at the meeting in question, furnish the following information as to all direct remuneration paid by the bank during the last calendar year to the following persons for services in all capacities:

(a) The direct aggregate remuneration paid to all principal officers of the bank as a group, without naming them.

(b) The amount set aside or accrued during the last calendar year for all pension or retirement benefits to be paid under an existing plan in the event of retirement with respect to all principal officers as a group, without naming them, except where the amount so set aside or accrued is computed on an actuarial basis under any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

SCHEDULE B

Item 4. *Bonus, profit sharing, and other remuneration plans.* If action is to be taken with respect to any bonus, profit sharing, or other remuneration plan, furnish the following information:

(a) A brief description of the material features of the plan, each class of persons who will participate therein, the approximate number of persons in each such class, and the basis of such participation.

(b) The amounts which would have been distributable under the plan during the last calendar year to (1) directors and principal officers as a group, and (2) to all other employees as a group, if the plan had been in effect.

(c) If the plan to be acted upon may be amended (other than by a vote of security holders) in a manner which would materially increase the cost thereof to the bank or would materially alter the allocation of the benefits as between the groups specified in paragraph (b), the nature of such amendments should be specified.

Item 5. *Pension and retirement plans.* If action is to be taken with respect to any pension or retirement plan, describe briefly the material features of the plan with an indication of the estimated cost of funding

past services and the estimated annual payments with respect to current services.

Item 6. *Options, warrants, and rights.* If action is to be taken with respect to the granting or extension of any options, warrants, or rights (all referred to herein as "warrants") to purchase stock of the bank, other than warrants issued to all stockholders on a pro rata basis, furnish for such warrants the following information:

(a) The title and amount of stock called for or to be called for, the prices, expiration dates, and other material conditions upon which the warrants may be exercised and the market price of the stock called for or to be called for as of the latest practicable date.

(b) If known, state separately the amount of stock called for or to be called for by warrants received or to be received by the following persons, naming each such person: (1) Each director of the bank or each nominee for election as a director of the bank, and (2) each other person who will be entitled to acquire 5 percent or more of the stock called for or to be called for by such warrants.

(c) If known, state also the total amount of the stock called for or to be called for by such warrants, received or to be received by all directors and principal officers of the bank as a group, without naming them.

Item 7. *Authorization or issuance of securities.* (a) If action is to be taken with respect to the authorization or issuance of any security, furnish the title and amount of securities to be authorized or issued.

(b) If the securities are other than additional shares of common stock of a class outstanding, furnish a brief summary of the following, if applicable; dividend, voting liquidation, pre-emptive, and conversion rights, redemption and sinking fund provisions, interest rate and date of maturity.

[Instruction: This item requires only a brief summary. A complete legal description or a verbatim recitation of the provisions referred to is not required and should not be given.]

(c) If the securities to be authorized or issued are other than additional shares of common stock of a class outstanding, the Comptroller may require financial statements comparable to those contained in the annual report prescribed in Part 10 to be furnished.

Item 8. *Amendment of Articles of Association.* If action is to be taken with respect to any amendment of the Articles of Association, or other organizational instruments as to which information is not required above, state briefly the reasons for and general effect of such amendment and the vote needed for its approval.

Item 9. *Mergers, consolidations, acquisitions, and similar matters.* (a) If action is to be taken with respect to a merger, consolidation, acquisition, or similar matter, furnish in brief outline the following information:

(1) The rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon, and indicate any statutory procedure required to be followed by dissenting security holders in order to perfect such rights.

(2) The material features of the plan or agreement.

(3) The names of the directors and principal officers of the constituent banks together with the number of shares of stock each owns beneficially in each of the banks as well as the number of shares each will receive as a result of the merger, acquisition, or consolidation.

(4) If any director or officer has entered into or has agreed to enter into an employment contract with the resulting bank, state the name of such officer or director together with a brief description of the contract.

(5) Furnish a table showing the adjusted book value per share of stock of each constituent bank for the last 3 years together with the pro forma book value per share of the resulting bank.

(6) If available, the range of bid and asked prices for the stock of each constituent bank during the previous year and the currently quoted bid and asked prices.

(7) The percentage of outstanding shares which must approve the transaction before it is consummated.

(b) For each bank involved in a merger, consolidation, or acquisition, the following financial statements should be furnished:

(1) A comparative balance sheet as of the close of the last 2 fiscal years.

(2) A comparative statement of operating income and expenses for each of the last 2 fiscal years, and as a continuation of each statement, a statement of earnings per share after related taxes and cash dividends paid per share.

(3) A pro forma combined balance sheet and income and expense statement for the last fiscal year giving effect to the necessary adjustments with respect to the resulting bank.

(c) In cases where the resulting bank will be a subsidiary of a bank holding company and shares of the holding company are to be issued to stockholders in lieu of shares in the resulting bank, the applicable financial information required by subparagraph (b) above, shall be furnished for the holding company.

(d) Where stockholders are to receive shares of a holding company, such shares shall be described in the manner required by § 16.4(i) and any material differences in the rights accorded holders of the holding company shares as opposed to the bank shares to be exchanged shall be set forth.

Item 10. *Other proposed action.* If action is to be taken with respect to any matter not specifically referred to above, describe briefly the substance of each such matter, and the vote needed for its approval.

SCHEDULE C

Item 1. Name, age and business address of each participant.

Item 2. His principal occupation or employment, the name, type of business and address of the corporation or other organization in which such employment is carried on.

Item 3. If he has been a participant in any other proxy contest within the past 10 years, indicate the principals involved, the subject matter of the contest, the outcome thereof, and his relationship to the principals.

Item 4. State the amount of stock of the bank or any of its affiliates owned beneficially, directly or indirectly, by him or members of his family residing with him.

Item 5. State the amount of such stock owned of record but not beneficially by him or members of his family residing with him.

Item 6. If any of the stock specified in Items 4 and 5 was acquired in the last 2 years, state the dates of acquisition and amounts acquired on each date.

Item 7. The extent of borrowings to purchase shares acquired within the preceding 2 years, and if funds were borrowed otherwise than pursuant to a margin account or bank loan in the regular course of business of a bank, the material provisions of such borrowings and the names of the lenders.

Item 8. Details of any contracts, arrangements or understandings relating to securities of the bank, to which a participant is a party, such as joint venture or option arrangements, puts or calls, guarantees against loss, or guarantees of profit or arrangements as to the division of losses or profits or with respect to the giving or withholding of proxies, and the name or names of the per-

sons with whom such contracts, arrangements or understandings exist.

Item 9. If he has entered into any arrangement or understanding with any person regarding future employment or with respect to any future transaction to which the bank or any of its affiliates will or may be a party, describe such arrangement or understanding.

Item 10. State whether or not he will bear any part of the expense incurred in the solicitation. If so, indicate the amount thereof.

Item 11. Describe any conviction for a felony that occurred during the preceding ten years involving the unlawful possession, conversion or appropriation of money or other property, or the payment of taxes. A negative answer to this item need not be included in any proxy soliciting material.

PART 12—OWNERSHIP REPORTS BY CERTAIN PERSONS

Sec.

12.1 Scope and application.

12.2 Definitions.

12.3 Filing of statements.

12.4 Exemption of certain transactions.

12.5 Persons temporarily exempt from filing statements.

12.6 Exemption from section 16(b) of the Securities Exchange Act of certain transactions by registered investment companies.

12.7 Exemption from section 16(b) of the Securities Exchange Act of certain transactions effected in connection with a distribution.

12.8 Exemption of certain securities from section 16(c) of the Securities Exchange Act.

12.9 Exemption from section 16(c) of the Securities Exchange Act of certain transactions effected in connection with a distribution.

12.10 Exemption from section 16(c) of the Securities Exchange Act of sales of securities to be acquired.

12.11 Arbitrage transactions under section 16 of the Securities Exchange Act.

AUTHORITY: The provisions of this Part 12 issued under R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq., sec. 16, Securities Exchange Act of 1934, as amended.

§ 12.1 Scope and application.

(a) Every principal stockholder, director, or principal officer of a national bank having a class of equity securities held of record by 750 or more persons (after May 1, 1967, 500 or more persons), within 10 days after becoming such principal stockholder, director, or principal officer, shall file with the Comptroller of the Currency a statement of the amount of each class of the bank's securities of which he is directly or indirectly the beneficial owner.

(b) Initial statements by present principal stockholders, directors and principal officers shall be filed on or before October 1, 1964 for banks with 750 or more shareholders of record and on or before July 1, 1967 for banks with 500 or more shareholders of record.

(c) Each person specified in paragraph (a) of this section, within ten days after the close of any calendar month in which there has been a substantial change in his ownership, shall file with the Comptroller a statement indicating his ownership as of the close of the calendar month and any changes in his ownership as have occurred since the last such report.

(d) The Comptroller may, either conditionally or unconditionally, exempt transactions from the provisions of this section when necessary or appropriate in the public interest.

§ 12.2 Definitions.

(a) The term "principal officer" means Chairman of the Board, President, Chairman of the Executive Committee, Vice Chairman of the Board, Senior Vice President, Cashier, and any other person who performs functions corresponding to those performed by the foregoing officers.

(b) The term "principal stockholder" means any person who is directly or indirectly the beneficial owner of more than 10 percent of the outstanding amount of any class of equity securities issued by the bank.

(c) The term "substantial change" means the acquisition or disposition of 500 shares, or more than 5 percent of the outstanding equity securities of the bank whichever is less. If any transaction, when added to previously unreported transactions, could qualify as a "substantial change" as defined herein, all such transactions shall be considered a "substantial change" and be reported.

(d) The term "person" is not limited to natural persons, but also includes corporations, partnerships, pension funds, profit-sharing funds, and any other organized group of persons of whatever nature.

§ 12.3 Filing of statements.

Initial statements of beneficial ownership required by § 12.1 shall be filed on Form OR-1. Statements of changes in such beneficial ownership required by that section shall be filed on Form OR-2. All such statements shall be prepared and filed in accordance with the instructions of the applicable form. All filed statements shall be available for public inspection at their place of filing during normal business hours.

§ 12.4 Exemption of certain transactions.

(a) Any acquisition or disposition of options or shares of stock including stock acquired pursuant to such options, by a director or officer of the bank issuing such stock shall be exempt from the requirements of § 12.1 if the stock or option was acquired pursuant to a bonus, profit-sharing, retirement, thrift, savings or similar plan which has been approved by the holders of at least a majority of the outstanding common stock of the issuer, or employee stock option or stock purchase plan which has been approved by the holders of at least two-thirds of the outstanding common stock of the issuer and the Comptroller of the Currency.

(b) Any transaction which has been or shall be exempted by the Comptroller of the Currency from the requirements of § 12.1 shall, insofar as it is otherwise subject to the provisions of section 16(b) of the Securities Exchange Act of 1934, as amended, be likewise exempt from sections 16 (b) and (c) of said Act.

§ 12.5 Persons temporarily exempt from filing statements.

The following persons shall be exempt, for a period of 12 months following their appointment and qualification, from filing the ownership statements required by § 12.1:

- (a) Executors or administrators of the estate of a decedent;
- (b) Guardians or committees for an incompetent;
- (c) Receivers, trustees in bankruptcy, conservators, liquidating agents, assignees for the benefit of creditors; and
- (d) Other similar persons.

§ 12.6 Exemption from section 16(b) of the Securities Exchange Act of certain transactions by registered investment companies.

Any transaction of purchase and sale, or sale and purchase, of any equity security of a bank shall be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if the transaction is effected by an investment company registered under the Investment Company Act of 1940 and both the purchase and sale of such security have been exempted from the provisions of section 17(a) of the Investment Company Act of 1940 by an order of the Securities and Exchange Commission entered pursuant to section 17(b) of that act.

§ 12.7 Exemption from section 16(b) of the Securities Exchange Act of certain transactions effected in connection with a distribution.

(a) Any transaction of purchase and sale, or sale and purchase, of an equity security of a bank that is effected in connection with the distribution of a substantial block of such securities shall be exempt from the provisions of section 16(b) to the extent specified in this § 12.7, as not comprehended within the purpose of section 16(b), upon the following conditions:

(1) The person effecting the transaction is engaged in the business of distributing securities and is participating in good faith, in the ordinary course of such business, in the distribution of such block of securities;

(2) The security involved in the transactions is (i) a part of such block of securities and is acquired by the person effecting the transaction, with a view to the distribution thereof, from the bank or other person on whose behalf such securities are being distributed or from a person who is participating in good faith in the distribution of such block of securities, or (ii) a security purchased in good faith by or for the account of the person effecting the transaction for the purpose of stabilizing the market price of securities of the class being distributed or to cover an over-allotment or other short position created in connection with such distribution; and

(3) Other persons not within the purview of section 16(b) are participating in the distribution of such block of securities on terms at least as favorable as those on which such person is participating and to an extent at least equal to

the aggregate participation of all persons exempted from the provisions of section 16(b) by this § 12.7. However, the performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not preclude an exemption that would otherwise be available under this paragraph.

(b) The exemption of a transaction pursuant to this § 12.7, with respect to the participation therein of one party thereto shall not render such transaction exempt with respect to participation of any other party therein unless such other party also meets the conditions of this § 12.7.

§ 12.8 Exemption of certain securities from section 16(c) of the Securities Exchange Act.

Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section the execution by a broker of an order for an account in which he had no direct or indirect interest.

§ 12.9 Exemption from section 16(c) of the Securities Exchange Act of certain transactions effected in connection with a distribution.

Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section any sale made by or on behalf of a dealer in connection with a distribution of a substantial block of the bank's securities, upon the following conditions:

(a) The sale is made with respect to an over-allotment in which the dealer is participating as a member of an underwriting group, or the dealer or a person acting on his behalf intends in good faith to offset such sale with a security to be acquired by or on behalf of the dealer as a participant in an underwriting, selling, or soliciting-dealer group of which the dealer is a member at the time of the sale, whether or not the security to be so acquired is subject to a prior offering to existing security holders or some other class of persons; and

(b) Other persons not within the purview of section 16(c) are participating in the distribution of such block of securities on terms at least as favorable as those on which such dealer is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of section 16(c) by this § 12.9. The performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not, however, preclude an exemption that would otherwise be available under this § 12.9.

§ 12.10 Exemption from section 16(c) of the Securities Exchange Act of sales of securities to be acquired.

(a) Whenever any person is entitled, as an incident to his ownership of an issued equity security of a bank and without the payment of consideration, to receive another security of the bank "when issued" or, "when distributed,"

the security to be acquired shall be exempt from the operation of section 16(c) if

(1) The sale is made subject to the same conditions as those attaching to the right of acquisition;

(2) Such person exercises reasonable diligence to deliver such security to the purchaser promptly after his right of acquisition matures; and

(3) Such person reports the sale on the appropriate form for reporting transactions by persons subject to section 16(a).

(b) This § 12.10 shall not be construed as exempting transactions involving both a sale of a security "when issued" or "when distributed" and a sale of the security by virtue of which the seller expects to receive the "when-issued" or "when-distributed" security, if the two transactions combined result in a sale of more units than the aggregate of those owned by the seller plus those to be received by him pursuant to his right of acquisition.

§ 12.11 Arbitrage transactions under section 16 of the Securities Exchange Act.

It shall be unlawful for any director or principal officer of a bank to effect any foreign or domestic arbitrage transaction in any equity security of the bank unless he shall include such transaction in the statements required by section 16(a) of the Securities Exchange Act and § 12.1 and shall account to such bank for the profits arising from such transaction, as provided in section 16(b). The provisions of section 16(c) shall not apply to such arbitrage transactions. The provisions of § 12.1 and of section 16 shall not apply to any bona fide foreign or domestic arbitrage transaction insofar as it is effected by any person other than such director or principal officer of the bank issuing such security.

PART 13—EMPLOYEE STOCK OPTION AND STOCK PURCHASE PLANS

Sec.

13.1 Scope and application.

13.2 Source of shares.

13.3 Terms and procedure.

AUTHORITY: The provisions of this Part 13 issued under R.S. 324 et seq., as amended; 12 U.S.C.

§ 13.1 Scope and application.

Any national bank may grant options to purchase, sell, or enter into agreements to sell, shares of its capital stock to its employees, whether or not such transactions qualify for special tax treatment under the Internal Revenue Code of 1954, as amended, and regulations promulgated thereunder, provided that the following conditions are met:

(a) Application for approval shall be made to the Comptroller of the Currency, Washington, D.C., 20220, in the form of a letter accompanied by the following information:

(1) Description of all material provisions of the plan.

(2) Proposed notice of shareholders' meeting, proxy and proxy statement.

(3) Number of shares of authorized but unissued stock to be allocated to the plan.

(4) Proposed amendments to articles of association creating authorized but unissued stock and eliminating preemptive rights as to the shares reserved under the plan;

(b) The plan is administered by a committee, none of whose members may participate in the plan;

(c) The number of shares allocable to any person under the plan is reasonable in relation to the purpose of the plan and the needs of the bank; and

(d) In the case of a stock option plan, the number of shares subject to the plan is not unreasonable in relation to the bank's capital structure and anticipated growth.

§ 13.2 Source of shares.

Shares issued to employees pursuant to this Part 13 may be authorized but unissued stock which has been authorized by stockholders in accordance with the procedures outlined in Part 14 of this chapter.

§ 13.3 Terms and procedures.

(a) Employee stock option and stock purchase plans or agreements may provide that options may be exercisable or that shares may be purchased on any business day. Stock certificates representing the shares purchased pursuant to the exercise of options may be validly issued to such purchasers upon receipt of the purchase price.

(b) The increase in capital represented by stock certificates issued pursuant to this section will not be applicable, however, for the purposes of permitted investment in banking premises, 12 U.S.C. 371d, permitted indebtedness, 12 U.S.C. 82, lending limits, 12 U.S.C. 84, branches, 12 U.S.C. 36 and other like purposes, until a notarized notice specifying the amount paid into the bank therefor, shall be executed by the president, vice president or cashier of the bank and filed with the Regional Administrator of National Banks, and until the Comptroller's Certificate has been obtained specifying the amount of such increase of capital stock, and his approval thereof, and that it has been duly paid in as part of the capital of such association.

PART 14—CHANGES IN CAPITAL STRUCTURE

Sec.

- 14.1 Capital adequacy.
- 14.2 Authorized but unissued stock.
- 14.3 Stock dividends.
- 14.4 Preferred stock.
- 14.5 Capital debentures.
- 14.6 Other increases of capital.
- 14.7 Applications for approval.
- 14.8 Effectiveness of increase.

AUTHORITY: The provisions of this Part 14 issued under R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq.

§ 14.1 Capital adequacy.

The Comptroller of the Currency will not hereafter rely on the ratios of capital to risk assets and to total deposits in

assessing the adequacy of capital of national banking associations. These formulae, although of some value in assessing capital adequacy, do not take into account other factors of equal or greater importance. Henceforth, the capital position of the bank will be analyzed and appraised in relation to the character of its management and its asset and deposit position as a going institution under normal conditions, with due allowance for a reasonable margin of safety, and with due regard to the bank's capacity to furnish the broadest service to the public. These factors, which are necessarily imprecise, cannot be directly interpolated into any specific formula. The following factors will be considered by the Comptroller in assessing the adequacy of capital:

- (a) The quality of management;
- (b) The liquidity of assets;
- (c) The history of earnings and of the retention thereof;
- (d) The quality and character of ownership;
- (e) The burden of meeting occupancy expenses;
- (f) The potential volatility of deposit structure;
- (g) The quality of operating procedures; and
- (h) The bank's capacity to meet present and future financial needs of its trade area, considering the competition it faces.

§ 14.2 Authorized but unissued stock.

Any national banking association, with the approval of the Comptroller and by vote of stockholders owning two-thirds of the stock of the bank entitled to vote, may authorize an increase in the common stock of the bank in the category of authorized but unissued stock. Such authorized but unissued stock may be issued from time to time to employees of the bank pursuant to a stock option or stock purchase plan adopted in accordance with Part 13 of this chapter, or in exchange for convertible preferred stock or convertible capital debentures in accordance with the terms and provisions of such securities. Authorized but unissued stock may also be issued from time to time for such other purposes and considerations as may be approved by the board of directors of the bank, and by the Comptroller.

§ 14.3 Stock dividends.

(a) It is the policy of the Comptroller of the Currency not to discourage the retention of earnings by national banking associations in the form of stock dividends. Accordingly, stock dividends, whether on a recurring or nonrecurring basis, will not be subject to disapproval, except in rare or unusual circumstances.

(b) Subject to the provisions of 12 U.S.C. 57, any national banking association may increase its capital stock by the declaration of a stock dividend, with the approval of the Comptroller. For such approval, applications on Form 1904-C shall be filed with the appropriate Regional Administrator of National Banks. The Regional Administrator will communicate his written approval to the

bank within 15 days after receipt of the application. Upon receipt of such approval, the bank may proceed to obtain the required approval of stockholders owning two-thirds of the stock of the bank entitled to vote if such approval has not been obtained previously. In cases where the Regional Administrator of National Banks disapproves the proposed stock dividend, he shall forward the application to the Office of the Comptroller in Washington for final disposition and shall advise the bank of such referral.

§ 14.4 Preferred stock.

It is the policy of the Comptroller of the Currency to permit the issuance of preferred stock by national banking associations in accordance with normal business considerations. Subject to the provisions of 12 U.S.C. 51a, 51b, and 51b-1, the bank may, by vote of stockholders owning a majority of the stock of the bank, issue convertible or nonconvertible preferred stock of one or more classes, with such other provisions and in such amount and with such par value as shall be approved by the Comptroller, and make such amendments to its Articles of Association as may be necessary for this purpose.

§ 14.5 Capital debentures.

(a) It is the policy of the Comptroller of the Currency to permit the issuance of convertible or nonconvertible capital debentures by national banking associations in accordance with normal business considerations.

(b) Subject to the provisions of 12 U.S.C. 82, the bank may, with the approval of stockholders owning two-thirds of the stock of the bank, entitled to vote, or without such approval if authorized by its Articles of Association, issue convertible or nonconvertible capital debentures in such amounts and under such terms and conditions as shall be approved by the Comptroller: *Provided, however,* That the principal amount of capital debentures outstanding at any time, when added to all other outstanding indebtedness of the bank, except those forms of indebtedness exempt from the provisions of 12 U.S.C. 82, shall not exceed an amount equal to 100 percent of the bank's unimpaired paid-in capital stock plus 50 percent of the amount of its unimpaired surplus fund.

§ 14.6 Other increases of capital.

(a) Applications by a national banking association on Form 1904-B for the Comptroller's preliminary approval of proposed sales of additional common capital stock, other than under an employee stock option or employee stock purchase plan which has previously been approved by the stockholders of the bank and by the Comptroller pursuant to Part 13 of this chapter, and other than pursuant to the preceding sections of this Part 14, shall be filed with the appropriate Regional Administrator of National Banks, whose approval shall be deemed to be the preliminary approval of the Comptroller. Upon such approval, the bank may proceed to obtain the approval

of stockholders pursuant to the provisions of 12 U.S.C. 57, if such approval has not been obtained previously under the procedures set forth in § 14.2.

(b) The Regional Administrator will communicate his written approval to the bank within 30 days after his receipt of the application. In cases where the Regional Administrator disapproves the proposed increase of capital, he shall forward the application to the Office of the Comptroller in Washington for final disposition, and shall advise the bank of such referral.

§ 14.7 Applications for approval.

Applications by a national banking association for the Comptroller's preliminary approval of a change in capital structure shall be filed with the principal office of the Comptroller in Washington, except as provided in §§ 14.3 and 14.6.

§ 14.8 Effectiveness of increase.

Pursuant to the provisions of 12 U.S.C. 57, no increase in the capital of a national banking association shall be valid until the whole amount of such increase is paid in or in the case of an increase by way of a stock dividend until such stock dividend has been duly declared by the stockholder, and notice thereof, duly acknowledged before a notary public by the president, vice president or cashier of the bank has been transmitted to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase in capital and his final approval thereof.

PART 15—REPORTS OF CHANGE IN CONTROLLING OWNERSHIP

Sec.

- 15.1 Scope and application.
- 15.2 Change in control—own bank.
- 15.3 Reports of loans secured by stock of other insured banks.

AUTHORITY: The provisions of this Part 15 issued under 12 U.S.C. 1817(j) (1) and R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq.

§ 15.1 Scope and application.

(a) On and after October 1, 1964, each national bank shall promptly notify the Comptroller of the Currency whenever a change occurs in the ownership of its outstanding voting stock of sufficient magnitude to effect a change in control of the bank.

(b) Any loan or loans made by a national bank and secured or to be secured by 25 per centum or more of the outstanding voting stock of an insured bank shall be reported as specified in § 15.3.

§ 15.2 Change in control—own bank.

(a) It shall be the duty of the president or other chief executive officer of a national bank to submit a report to the Comptroller of the Currency whenever he believes that a change in controlling ownership of his bank has taken place. If there is any doubt concerning whether a particular change in ownership is sufficient to effect a change in control, such doubt shall be resolved in favor of submitting a report to the Comptroller. The report shall be in letter form and shall

contain the following information to the extent that it is known to the person making the report: (1) The number of shares involved; (2) the identity of the sellers (or transferors); (3) the names of the purchasers (or transferees); (4) the names of the beneficial owners if the shares are registered in another name; (5) the purchase price; (6) the total number of shares owned by the sellers (or transferors), the purchasers (or transferees); and (7) beneficial owners both immediately prior to and after the transaction.

(b) The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the bank.

§ 15.3 Report of loans secured by stock of other insured banks.

(a) Whenever a national bank makes a loan or loans, secured, or to be secured, by 25 per centum or more of the outstanding voting stock of an insured bank, the president or other chief executive officer of the lending bank shall promptly report such fact to the Board of Governors of the Federal Reserve System where the shares of a member bank are pledged or to the Federal Deposit Insurance Corporation where the shares of a nonmember insured bank are pledged. No report need be made in those cases where the borrower has been the owner of record of the stock for a period of 1 year or more, or the stock is that of a newly organized bank prior to its opening.

(b) The reports required under this section shall contain, to the extent that it is known by the person making the report, the same information called for in § 15.2.

PART 16—REGISTRATION STATEMENTS AND OFFERING CIRCULARS

Sec.

- 16.1 Authority and scope of application.
- 16.2 Registration of securities of existing national banks.
- 16.3 Content of registration statement.
- 16.4 Filing of registration statement and use of offering circular.
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- 16.6 Registration of securities of new national banks.
- 16.7 Content of registration statement.
- 16.8 Filing of registration statement and use of offering circular.
- 16.9 Advertisements.
- 16.10 Effective date of registration statement.
- 16.11 Sanctions.

AUTHORITY: The provisions of this Part 16 issued under R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq.; sec. 12, Securities Exchange Act of 1934, as amended.

§ 16.1 Authority and scope of application.

(a) This part is issued under the general authority of the national banking laws, R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq. and section 12, Securities Exchange Act of 1934, as amended, and contains all the rules applicable to national banks concerning the public offering of their securities.

(b) This part shall apply to any public offering of a security of an existing national bank, or a new national bank (one which has not yet received its charter), by, for, or on behalf of such bank unless specified herein to the contrary.

(c) This part shall not apply to an offering of a national bank's securities made pursuant to a stock option, bonus, deferred compensation, or similar plan, provided that such plan has been approved by the Comptroller of the Currency.

(d) This part shall not apply to an offering of a national bank's short term commercial paper if the Comptroller of the Currency determines in the public interest that the protection of this part is not required.

§ 16.2 Registration of securities of existing national banks.

No existing national bank shall publicly offer or sell any of its securities unless such securities shall have been made the subject of a registration statement filed in the Office of the Comptroller of the Currency (in the case of offers) and declared effective (in the case of sales), except that this section shall not apply in respect of a public offering where prior to such offering no class of the national bank's equity securities is held of record by more than 750 persons (after May 1, 1967, 500 or more persons) or the total public offering price of such offering is less than \$1 million.

§ 16.3 Content of registration statement.

The registration statement and offering circular (which may be identical to the registration statement) filed pursuant to this part shall contain at a minimum the following information:

(a) *Issuer.* On the outside front cover page of the registration statement and offering circular: (1) The exact name and address of the issuing national bank; (2) that the issuance of these securities is subject to the approval of and the regulations of the Comptroller of the Currency of the United States; and (3) the date the registration statement or amendment is declared effective.

(b) *Distribution.* On the same page referred to in the preceding paragraph state: (1) The number of and dollar amount of securities being offered; (2) the per security and aggregate offering price and the per security and aggregate proceeds to be received by the national bank; (3) the proposed means of distribution; and (4) the expenses to be incurred in connection with the offering.

(c) *Use of proceeds.* A brief statement of the intended uses of the proceeds of the offering.

(d) *Business of the bank.* A brief statement as to the history and nature of the bank's present or proposed operations, including a description of its premises and facilities.

(e) *Financial statements.* The information called for in § 10.3 of this chapter, plus comparable information as of a date no more than 90 days prior to filing the registration statement.

(f) *Management.* (1) The full names and complete residence addresses of all

present or proposed directors and principal officers and their principal occupations during the past 10 years. (2) For such of the persons specified in the preceding paragraph who will receive in the current fiscal year or, who have received remuneration in the past fiscal year in excess of \$25,000 per year from the national bank, the aggregate amount of remuneration received by all such persons. (3) A brief description of any present or contemplated bonus, retirement, pension, stock option or other similar plan or provisions and the class of persons covered. (4) Any present or proposed material interest or transaction between the bank and any director, or officer thereof, other than in the ordinary course of banking business. Describe any such interest or transaction that occurred within the preceding 3 years; if none, so state.

(g) *Principal security holders.* To the extent known: (1) The percentage of outstanding securities which will be held as a group, by directors and principal officers and the percentage of such securities which will be held by the public if all the securities offered are sold; and (2) the name, address and relationship to the national bank of any person who beneficially owns or will own 10 percent or more of the outstanding capital stock of the national bank.

(h) *Capitalization and long-term debt.* State in tabular form as of a date within 90 days of filing, the title of and amount in each category of capital and long-term debt account, the amount authorized or to be authorized, and the amount to be outstanding, assuming all the securities being registered are sold.

(i) *Description of registered securities.* (1) In the case of equity securities; briefly describe, if applicable, the dividend, voting, liquidation, preemptive, and conversion rights, redemptive and sinking fund provisions, and liability to further calls or assessment. (2) In the case of debt securities; briefly describe, if applicable, the provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund or retirement; the provisions with respect to the kind and priority of any lien securing the issue; the provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, creation or maintenance of reserves or the maintenance of properties; the provisions permitting or restricting the issuance of additional securities, withdrawal of cash deposited against such issuance, incurring of additional debt, release or substitution of assets securing the issue, modification of the terms of the security, and any other similar provisions.

(j) *Legal proceedings.* Any material pending or threatened legal proceedings to which the national bank is a party or of which any of its property is the subject.

§ 16.4 Filing of registration statement and use of offering circular.

(a) No person on behalf of or for an existing national bank shall offer to sell or solicit any offer to buy any security

of a national bank being publicly offered by a national bank unless prior to, or at the time of such offer or solicitation, a copy of an offering circular which has been filed pursuant to this part is furnished to the potential purchaser by the person making the offer or solicitation.

(b) No securities of an existing national bank subject to this part shall be sold, or confirmation of sale relating thereto be delivered after sale, by, for, or on behalf of the bank unless at the time of sale or prior to such sale, the purchaser of such security has received an offering circular which forms part of a registration statement declared effective by the Comptroller of the Currency.

(c) The offering circular shall be used in accordance with this part until the completion of the distribution of the registered securities. If the distribution is not completed within 12 months from the effective date of the registration statement, an amended registration statement shall be filed and a revised offering circular shall be used in accordance with this part as for an original offering circular. In no event shall an offering circular be used which is false or misleading in light of the circumstances then existing. In cases of dispute, the final determination of whether any statement is false or misleading shall be made only by the Comptroller of the Currency after such investigation and proceedings as he shall deem necessary in the circumstances.

(d) Filings shall be made in quadruplicate and may be printed, lithographed, typewritten or prepared by similar process resulting in clearly legible permanent copies. One copy of all filings made pursuant to this part shall be manually subscribed by the national bank's Chief Executive Officer and Cashier.

§ 16.5 Advertisements.

Any written advertisement (or other written communication, if not accompanied by an offering circular) or any film, radio, or television broadcast, which refers to a present or proposed public offering of securities by an existing national bank may be published, distributed, or broadcast only after the filing of a registration statement covering such securities, and provided that it contains no more than the following information: (a) The name and address of the issuer of the security; (b) the title of the security, the dollar amount and number of securities being offered, and the per-unit offering price to the public; and (c) where a copy of the offering circular may be obtained.

§ 16.6 Registration of securities of new national banks.

No new national bank shall sell any of its securities unless such securities shall have been made the subject of a registration statement filed in the Office of the Comptroller of the Currency which has been declared effective by the Comptroller except that this section shall not apply in respect of a first public offering by a new national bank that will have a capitalization of less than \$1,000,000 as a result of the offering.

§ 16.7 Content of registration statement.

The registration statement and offering circular (which may be identical to the registration statement) filed pursuant to this part shall contain at a minimum the following information:

(a) *Issuer.* On the outside front cover page of the registration statement and offering circular: (1) The proposed name and the address of the issuing national bank; (2) that the issuance of these securities is subject to the approval of and the regulations of the Comptroller of the Currency of the United States; (3) that the designated officers and directors are subject to change upon order of the Comptroller of the Currency and (4) the date the registration statement or amendment is declared effective.

(b) *Distribution.* On the same page referred to in the preceding paragraph state: (1) The number of and dollar amount of securities being offered; (2) the per security and aggregate offering price and the per security and aggregate proceeds to be received by the national bank; (3) the proposed means of distribution; and (4) the expenses to be incurred in connection with the offering.

(c) *Use of proceeds.* A brief statement of the intended uses of the proceeds of the offering.

(d) *Business of the bank.* A brief statement as to the nature of the bank's proposed operations, including a description of its premises and facilities.

(e) *Financial statements.* As of the date it is contemplated business will be commenced, a pro forma statement of capital and surplus and balance sheet.

(f) *Management.* (1) The full names and complete residence addresses of all organizers, present or proposed directors, and principal officers and their principal occupations during the past 10 years. (2) For such of the persons specified in the preceding sentence who will receive in the current fiscal year in excess of \$25,000 per year from the national bank, the aggregate amount or remuneration received by all such persons. (3) A brief description of any present or contemplated bonus, retirement, pension, stock option, or other similar plan or provisions and the class of persons covered. (4) Any existing or proposed material interest or transaction between the bank and any organizer, director, or officer thereof, other than in the ordinary course of banking business.

(g) *Principal security holders.* To the extent known: (1) The percentage of outstanding securities which will be held as a group, by directors, principal officers, and organizers and the percentage of such securities which will be held by the public if all the securities offered are sold; and (2) the name, address, and relationship to the national bank of any person who beneficially owns or will own 10 percent or more of the outstanding capital stock of the national bank.

(h) *Description of registered securities.* In the case of equity securities; briefly describe, if applicable, the dividend, voting, liquidation, preemptive, and conversion rights, redemptive and sinking fund provisions, and liability to further calls or assessment.

(i) *Legal proceedings.* Any material pending or threatened legal proceedings to which the national bank is a party or of which any of its property is the subject.

§ 16.8 Filing of registration statement and use of offering circular.

(a) No securities of a new national bank subject to this part shall be sold by, for, or on behalf of any new national bank unless at the time of, or prior to such sale, the purchaser of such security has received an offering circular which forms part of a registration statement declared effective by the Comptroller of the Currency.

[Instruction: This section is not intended to prohibit the solicitation of tentative subscriptions without the use of an offering circular provided that no subscriber will be legally bound to pay the subscription price until after such subscriber has been furnished an effective offering circular.]

(b) The offering circular shall be used in accordance with this part until the completion of the distribution of the registered securities. If the distribution is not completed within 12 months from the effective date of the registration statement, an amended registration statement shall be filed and a revised offering circular shall be used in accordance with this part as for an original offering circular. In no event shall an offering circular be used which is false or misleading in light of the circumstances then existing. In cases of dispute, the final determination of whether any statement is false or misleading shall be made only by the Comptroller of the Currency after such investigation and proceedings as he shall deem necessary in the circumstances.

(c) Filings shall be made in quadruplicate and may be printed, lithographed, typewritten, or prepared by similar process resulting in clearly legible permanent copies.

§ 16.9 Advertisements.

(a) Any written advertisement (or other written communication, if not accompanied by an offering circular) or any film, radio or television broadcast, which refers to a present or proposed offering of securities, by a new national bank may be published, distributed or broadcast, provided that it contains no more than the following information: (1) The name and address of the issuer of the security; (2) the title of the security, the dollar amount and number of securities being offered, and the per-unit offering price to the public; and (3) where a copy of the offering circular may be obtained.

§ 16.10 Effective date of registration statement.

Registration statements of new and existing national banks shall become effective when so declared by the Comptroller of the Currency in his discretion upon written request therefor.

§ 16.11 Sanctions.

(a) The failure to comply with any requirement of this part may result in the withholding of the approval of the Comptroller of the Currency to issue the securities, the withholding of effectiveness of the registration statement, or the taking of such other action appropriate in the circumstances.

(b) The enforcement of this part shall be the function solely of the Comptroller of the Currency.

(c) No provision of this part is intended to confer any private right of action on any stockholder or other person against a national bank. Questions as to the applicability of this part or any interpretation thereunder shall be resolved by the Comptroller of the Currency.

Dated: May 6, 1966.

[SEAL] JAMES J. SAXON,
Comptroller of the Currency.

[F.R. Doc. 66-5190; Filed, May 11, 1966;
8:48 a.m.]

Title 7—AGRICULTURE

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER A—AGRICULTURAL CONSERVATION PROGRAM

[ACP-1966, SUPP. 31]

PART 701—NATIONAL AGRICULTURAL CONSERVATION

Subpart—1966

The regulations governing the 1966 National Agricultural Conservation Program, 30 F.R. 11371, as amended, are further amended as follows:

1. Section 701.30 is amended by adding at the end thereof the following new sentence: "A member of an Indian grazing association who is a member of the tribe which owns land leased to the grazing association shall be deemed to be an owner with respect to such land for the purposes of this section."

2. Section 701.41 is amended by adding at the end of paragraph (g) the following new sentence: "The term 'person' shall include a member of an Indian grazing association who is a member of the tribe which owns land leased to the grazing association and who participates in the operation of the land leased to the association."

(Sec. 4, 49 Stat. 164, secs. 7 to 17, 49 Stat. 1148, as amended; 16 U.S.C. 590d, 590g-590q)

Signed at Washington, D.C., on May 6, 1966.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 66-5194, Filed, May 11, 1966;
8:49 a.m.]

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 7]

PART 729—PEANUTS

Subpart—Allotment and Marketing Quota Regulations for Peanuts of the 1963 and Subsequent Crops

1. *Basis and purpose.* The amendment contained herein is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.), to revise the Allotment and Marketing Quota Regulations for Peanuts of the 1963 and Subsequent Crops (27 F.R. 11920; 28 F.R. 11811; 29 F.R. 7801, 7983, 13027, 16185; 30 F.R. 2589, 11345). The amendment (1) changes the closing dates for Coryell County in the State of Texas for voluntarily releasing peanut acreage which will not be used on the farm to which allotted, and (2) changes the date by which a written request must be filed for reapportionment of peanut acreage released in Coryell County, Tex.

Since peanut producers in Coryell County, Tex., need to know as soon as possible whether additional peanut acreage will be available under the release and reapportionment provisions of the regulations in order to complete their plans for the 1966 peanut production, it is hereby determined that compliance with the 30-day effective date provisions of the Administrative Procedure Act is impracticable and contrary to the public interest. Therefore, this docket shall become effective upon the date of filing with the Director, Office of the Federal Register.

2. Section 729.1435(a), as amended, is amended to establish the date of May 20 for Coryell County, Tex., as the closing date for voluntarily surrendering in writing to the county committee peanut acreage which will not be used on the farm to which allotted.

3. Section 729.1435(b), as amended, is amended to establish the date of May 20 for Coryell County, Tex., as the date by which a written request must be filed by the farm owner or operator at the office of the county committee for a farm to be eligible to receive a reapportionment of released peanut acreage.

(Secs. 358, 375, 55 Stat. 88, as amended, 52 Stat. 66, as amended; 7 U.S.C. 1353, 1375)

Effective date. Upon filing with the Director, Office of the Federal Register.

Signed at Washington, D.C., on May 10, 1966.

ROLAND F. BALLOU,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 66-5238; Filed, May 10, 1966;
2:45 p.m.]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

[Orange Reg. 52, Amdt. 4]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905, 30 F.R. 13933), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of oranges, including Temple and Murcott Honey oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1001-1011) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient; and this amendment relieves restrictions on the handling of oranges, except Temple and Murcott Honey oranges, grown in Florida.

Order. In § 905.479 (Orange Regulation 52; 31 F.R. 5, 148, 2694, 3188, 5007) the provisions of paragraph (b) (3) (i) are amended to read as follows:

(i) Any oranges, except Temple and Murcott Honey oranges, grown in the production area, which do not grade at least U.S. No. 2 Russet;

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated, May 11, 1966, to become effective at 12:01 a.m., e.s.t., May 13, 1966.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 66-5279; Filed, May 11, 1966; 11:42 a.m.]

[Grapefruit Reg. 61, Amdt. 1]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part

905, 30 F.R. 13933), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient; and this amendment relieves restrictions on the handling of grapefruit grown in Florida.

Order. In § 905.481 (Grapefruit Regulation 61, 31 F.R. 5568) the provisions of paragraph (b) (3) (ii) are amended by deleting said subdivision (ii) and substituting in lieu thereof a new subdivision (ii) as set forth below:

(ii) Any seedless grapefruit, grown in the production area, which are smaller than $3\frac{1}{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of seedless grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in the U.S. Standards for Florida Grapefruit; or

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated, May 11, 1966, to become effective at 12:01 a.m., e.s.t., May 13, 1966.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 66-5278; Filed, May 11, 1966; 11:42 a.m.]

[Peach Reg. 1]

PART 918—FRESH PEACHES GROWN IN GEORGIA

Limitation of Shipments

§ 918.307 Peach Regulation 1.

(a) **Findings.** (1) Pursuant to the marketing agreement, as amended, and Order No. 918, as amended (7 CFR Part 918), regulating the handling of fresh peaches grown in the State of Georgia, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendation of the Industry Committee, established under the aforesaid amended marketing agreement and order, and

upon other available information, it is hereby found that this section will tend to effectuate the declared policy of the act with respect to shipments of fresh peaches grown in the State of Georgia.

(2) It is hereby found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective time of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than May 12, 1966. The committee held an open meeting on May 5, 1966, after giving due notice thereof, to consider supply and market conditions for fresh peaches grown in Georgia, and the need for regulations; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, with respect to limitations prior to June 2, 1966, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such peaches. Shipments of the early varieties of the current crop of peaches are expected to begin on or before May 12, 1966, and this section should be applicable, insofar as practicable, to all shipments of such peaches in order to effectuate the declared policy of the act; and compliance with this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof.

(b) **Order.** (1) During the period beginning at 12:01 a.m., e.s.t., May 12, 1966, and ending at 12:01 a.m., e.s.t., September 1, 1966, no handler shall ship (except peaches in bulk to destinations in the adjacent markets) any peaches which do not grade at least 85 percent U.S. No. 1 quality: *Provided*, That peaches with well healed hail marks, split pits, and not more than 1 percent decay may be shipped if they otherwise meet the requirements of this subparagraph.

(2) During the period beginning at 12:01 a.m., e.s.t., May 12, 1966, and ending at 12:01 a.m., e.s.t., June 2, 1966, no handler shall ship (except peaches in bulk to destinations in the adjacent markets) any peaches which are smaller than $1\frac{3}{4}$ inches in diameter, except that not more than 10 percent, by count, of such peaches in any bulk lot or any lot of packages, and not more than 15 percent, by count, of such peaches in any container in such lot, may be smaller than $1\frac{3}{4}$ inches in diameter.

(c) The inspection requirement contained in § 918.64 is hereby suspended with respect to peaches in bulk shipped to destinations in the adjacent markets during the period specified in paragraph (b) (1) of this section.

(d) The maturity regulations contained in § 918.400 of this part are hereby suspended with respect to shipments of peaches to destinations other than in the adjacent markets during the period specified in paragraph (b) (1) of this section.

(e) When used herein, the terms "handler," "adjacent markets," "peaches," "peaches in bulk," and "ship" shall have the same meaning as when used in the aforesaid amended marketing agreement and order, and the terms "U.S. No. 1" and "diameter" shall have the same meaning as when used in the revised U.S. Standards for Peaches (§§ 51.1210-51.1223 of this title).

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 10, 1966.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 66-5254; Filed, May 11, 1966; 8:50 a.m.]

[Grapefruit Reg. 7, Amdt. 12]

PART 944—FRUITS; IMPORT REGULATIONS

Grapefruit

Pursuant to the provisions of section 8e of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), the provisions of paragraph (a) of Grapefruit Regulation 7 (§ 944.103, 29 F.R. 12762, 13603, 30 F.R. 257, 754, 4055, 5359, 6065, 6638, 11713, 14361, 31 F.R. 2728, 5569) are hereby amended as follows:

§ 944.103 Grapefruit regulation 7.

(a) On and after 12:01 a.m., e.s.t., May 13, 1966, the importation of any grapefruit into the United States is prohibited unless such grapefruit are inspected and meet the following applicable requirements:

(1) Seeded grapefruit shall grade at least U.S. No. 2 Russet and be of a size not smaller than $3\frac{1}{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of seeded grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in the U.S. Standards for Florida Grapefruit; or

(2) Seedless grapefruit shall grade at least U.S. No. 2 Russet and be of a size not smaller than $3\frac{1}{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of seedless grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in the United States Standards for Florida Grapefruit.

It is hereby found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective time of this amendment beyond that hereinafter specified (5 U.S.C. 1001-1011) in that (a) the requirements of this amended import regulation are imposed pursuant to section 8e of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), which makes such regulation mandatory; (b) such regulation imposes the same restrictions on imports of all grapefruit as the grade and size restrictions being made applicable to the shipment of all grapefruit grown in Florida under amended Grapefruit Regulation 61 (§ 905.481); (c) compliance with this amended import regulation will not require any special preparation which cannot be completed by the effective time hereof; and (d) this amendment relieves restrictions on the importation of grapefruit.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 11, 1966.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 66-5283; Filed, May 11, 1966; 11:51 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Docket No. 7169; Amdt. 39-232]

PART 39—AIRWORTHINESS DIRECTIVES

Fairchild Model F-27 Series Airplanes

A proposal to amend Part 39 of the Federal Aviation Regulations to include an airworthiness directive requiring modification of the inverter ground circuit on Fairchild Model F-27 Series airplanes was published in 31 F.R. 3078.

Interested persons have been afforded an opportunity to participate in the making of the amendment. One operator requested an increase in the compliance time from 150 to 350 hours' time in service. Other operators requested that local FAA maintenance inspectors be authorized to approve equivalent modifications. The Agency has determined that both changes may be incorporated into the AD without adversely affecting safety.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

FAIRCHILD. Applies to Model F-27 Series airplanes.

Compliance required within the next 350 hours' time in service after the effective date of this AD, unless already accomplished.

To prevent failure of both inverters and resulting loss of essential load circuits due to a failure of a common ground, accomplish the following:

(a) For airplanes with inverter ground circuits conforming to Fairchild Drawing 27-740027 including EAI No. 1, or that have been modified in accordance with Fairchild Service Bulletin No. 34-4, dated November 5, 1959, modify the inverter ground circuit in accordance with the "Accomplishment Instructions" of Fairchild Service Bulletin 34-9, dated December 16, 1965, or later FAA-approved revision, or an FAA-approved equivalent.

(b) For airplanes with inverter ground circuits conforming to Fairchild Drawing 27-740027 not including EAI No. 1, and that have not been modified in accordance with Fairchild Service Bulletin No. 34-4, dated November 5, 1959, modify the inverter ground circuit in accordance with Fairchild Service Bulletin 34-4, dated November 5, 1959, and 34-9, dated December 16, 1965, or later FAA-approved revisions, or an FAA-approved equivalent.

(c) Upon request of the operator an FAA maintenance inspector, subject to the prior approval of the Chief, Aircraft Engineering and Manufacturing Branch, FAA Eastern Region may adjust the compliance time specified in this AD to permit compliance at an established inspection period of the operator, if the request contains substantiating data to justify the increase for that operator.

This amendment becomes effective June 11, 1966.

(Secs. 313(a), 601, and 603 of the Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1421, and 1423)

Issued in Washington, D.C., on May 6, 1966.

JAMES F. RUDOLPH,
Acting Director,
Flight Standards Service.

[F.R. Doc. 66-5179; Filed, May 11, 1966; 8:47 a.m.]

[Airspace Docket No. 65-AL-27]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Designation of Control Area

On March 12, 1966, a notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 4350) stating that the Federal Aviation Agency was considering the designation of an offshore control area adjacent to the southern Alaskan coast.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments; however, no comments were received.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective July 21, 1966, as hereinafter set forth.

Section 71.163 (31 F.R. 2050) is amended by adding the following:

CONTROL 1487

That airspace extending upward from 14,500 feet MSL, to FL 450, within the area bounded by a line beginning at latitude 59° 08'30" N., longitude 147°16'00" W., counter-clockwise via the arc of a 172-mile radius centered on the Anchorage VOR to latitude 60°14'10" N., longitude 145°29'30" W., thence southeastward 3 nmi from and

parallel to the U.S. coastline to latitude 54°40'00" N., longitude 132°56'00" W., thence to latitude 54°14'00" N., longitude 134°57'00" W., thence to point of beginning. The airspace within Canada is excluded.

(Secs. 307(a) and 1110 of the Federal Aviation Act of 1958; 49 U.S.C. 1348 and 1510; and E.O. 10854; 24 F.R. 9565)

Issued in Washington, D.C., on May 6, 1966.

H. B. HELSTROM,
*Acting Chief, Airspace and
Air Traffic Rules Division.*

[F.R. Doc. 66-5180; Filed, May 11, 1966;
8:47 a.m.]

[Airspace Docket No. 65-SO-28]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Revocation, Realignment and Designation of VOR Federal Airways

On February 8, 1966, a notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 2490) stating that the Federal Aviation Agency was considering amendments to Part 71 of the Federal Aviation Regulations that would revoke, realign and designate VOR Federal airways in the vicinity of Huntsville, Ala.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. All comments received were favorable.

Subsequent to the publication of the notice of proposed rule making, it has been determined that the airway actions proposed east of the Muscle Shoals, Ala., VOR eliminates the requirement for a portion of the Muscle Shoals transition area. Accordingly, action is taken herein to revoke that portion extending from 1,200 feet above the surface east of Muscle Shoals, bounded on the north by V-54, on the east by V-57 and on the southwest by V-7E.

Since this action imposes no additional burden on any person, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., July 21, 1966, as hereinafter set forth.

1. Section 71.123 (31 F.R. 2009, 3230) is amended as follows:

a. In V-7 "including an E alternate via INT of Birmingham 358° and Muscle Shoals 133° radials" is deleted and "including an E alternate via INT of Birmingham 358° and Muscle Shoals 122° radials" is substituted therefor.

b. In V-54 "Huntsville, Ala.; Chattanooga, Tenn., including an N alternate via INT of Muscle Shoals 067° and Chattanooga 282° radials;" is deleted and "Huntsville, Ala., including an N alternate via INT of Muscle Shoals 067° and Huntsville 282° radials; Chattanooga, Tenn., including an N alternate and an S alternate via INT of Huntsville 097° and Chattanooga 229° radials" is substituted therefor.

c. In V-57 "via Decatur, Ala.;" is deleted and "via Decatur, Ala., including

an E alternate via INT of Birmingham 013° and Decatur 130° radials;" is substituted therefor.

d. V-321 is added:

V-321 From Gadsden, Ala., via INT of Gadsden 333° and Huntsville, Ala., 149° radials; to Huntsville.

e. V-325 is added:

V-325 From Gadsden, Ala., to Muscle Shoals, Ala., including an N alternate via INT of Gadsden 318° and Decatur, Ala., 130° radials and Decatur.

2. In § 71.181 (31 F.R. 2149, 2651) is amended as follows:

a. In Muscle Shoals, Ala., all after "bounded on the west by V-7," is deleted and "on the east by V-57, on the south by V-54N." is substituted therefor.

(Sec. 307(a) of the Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on May 6, 1966.

H. B. HELSTROM,
*Acting Chief, Airspace and
Air Traffic Rules Division.*

[F.R. Doc. 66-5181; Filed, May 11, 1966;
8:47 a.m.]

[Airspace Docket No. 65-WE-49]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Designation of Transition Area

On March 21, 1966, a notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 5133) stating that the Federal Aviation Agency proposed to designate a transition area at Grand Canyon, Ariz.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. The one comment received was favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., July 21, 1966, as hereinafter set forth:

In § 71.181 (31 F.R. 2149) the following transition area is added:

GRAND CANYON, ARIZ. (GRAND CANYON NATIONAL PARK AIRPORT)

That airspace extending upward from 700 feet above the surface within a 3-mile radius of Grand Canyon National Park Airport (latitude 35°57'10" N., longitude 112°08'35" W.), and within 2 miles each side of the Grand Canyon VOR 211° radial extending from the 3-mile radius area to 8 miles SW of the VOR; and that airspace extending upward from 1,200 feet above the surface bounded by a line beginning at latitude 36°00'00" N., longitude 112°27'00" W., to latitude 36°05'00" N., longitude 112°00'00" W., to latitude 35°42'00" N., longitude 112°00'00" W., to latitude 35°42'00" N., longitude 112°07'00" W., to latitude 35°38'00" N., longitude 112°07'00" W., to latitude 35°38'00" N., longitude 112°27'00" W., thence to point of beginning.

(Sec. 307(a) of the Federal Aviation Act of 1958, as amended; 72 Stat. 749; 49 U.S.C. 1348)

Issued in Los Angeles, Calif., on May 5, 1966.

JOSEPH H. TIPPETS,
Director.

[F.R. Doc. 66-5182; Filed, May 11, 1966;
8:48 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission PART 59—LIME INDUSTRY

Rescission of Part

On May 5, 1966, the Commission rescinded the trade practice rules for the Lime Industry appearing in Part 59 of this title.

Approved: May 5, 1966.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 66-5197; Filed, May 11, 1966;
8:49 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter I—Monetary Offices, Department of the Treasury

PART 90—TABLE OF CHARGES AT THE MINTS AND ASSAY OFFICES OF THE UNITED STATES¹

The Bureau of the Mint finds that it is necessary, because of increased costs of labor and material, to revise its Table of Charges for various services performed by the Mint. The Bureau also finds, in accordance with 5 U.S.C. 1003a, that notice and public procedure thereon are impracticable and unnecessary because such revisions are required by statutes (R.S. 3524, as amended (31 U.S.C. 332); R.S. 3546 (31 U.S.C. 360)). R.S. 3524, as amended, requires the Director of the Mint, with the concurrence of the Secretary of the Treasury, to fix mint charges so as to equal but not exceed, in their judgment, the actual average cost to each mint and assay office of the material, labor, wastage, and use of machinery employed.

Accordingly, Part 90, Chapter I, Title 31 of the Code of Federal Regulations of the United States of America, is hereby revised, effective June 1, 1966, to read as follows:

Sec.
90.1 Melting charge.
90.2 Eligibility, withdrawal and rejection of deposits.

¹ Coinage mints are located at Philadelphia, Pa., and Denver, Colo. A U.S. Assay Office is located at New York, N.Y., and at San Francisco, Calif. No deposits are accepted at the office of the Director of the Mint in Washington, D.C.

- Sec.
90.3 Parting and refining charge (rate per gross troy ounce or fraction).
90.4 Bar charges.
90.5 Assays of gold or silver bullion or jewelry free from platinum group metals.
90.6 Assays of plated and filled goods (over 800 base metal) and white gold free from platinum group metals.
90.7 Assays of ores.
90.8 Assaying and stamping charges.
90.9 General provision.

AUTHORITY: The provisions of this Part 90 issued under R.S. 3524, as amended, R.S. 3546; 31 U.S.C. 332, 360, unless otherwise noted.

§ 90.1 Melting charge.

(a) On each deposit of bullion a melting charge of \$4.00 shall be imposed for the first 1,000 gross troy ounces or fraction thereof, and 40 cents additional for each 100 ounces or fraction thereof in excess of 1,000 ounces, computed on the after-melting weight: *Provided*, That no melting charge shall be imposed on deposits consisting of uncurrent U.S. coin or unutilized stamped U.S. mint bars, or on silver bullion free from gold, of the fineness of 999 thousandths or over when a satisfactory assay can be obtained without melting.

(b) When the melting loss exceeds 15 percent, an additional charge of \$2.30 for each deposit shall be imposed when the deposit weighs 100 gross troy ounces or less; on deposits weighing over 100 ounces the charge shall be \$2.30 for the first 100 ounces and 75 cents for each 100 ounces or fraction in excess of 100 ounces. Such additional charge shall be computed on the before melting weight of the deposit.

(c) On each deposit containing white gold alloys, as determined by the assayer, an extra melting charge of \$2.30 for each 100 gross troy ounces or fraction thereof shall be imposed. Such additional charge shall be computed on the before melting weight of the deposit.

(d) Deposits which fail to give concordant assays and those requiring an excessive amount of treatment, shall, at the discretion of the officer in charge of the Mint institution, be subject to an additional charge equal to the cost to the Government for additional fuel, labor, and materials used in melting and treatment, as well as in remelting and retreatment, if necessary, by the deposit melter. Impure deposits which fail to give concordant assays on dip samples from the second melting shall be rejected, subject to the provisions of § 90.2. The expenses incurred in treatment shall be collected. When such costs are assessed the charge set forth in paragraph (b) of this section shall not be made.

§ 90.2 Eligibility, withdrawal and rejection of deposits.

(a) A gold deposit must contain one troy ounce of fine gold, at least 100 parts of gold in 1,000, and not less than 200 parts of gold or gold and silver combined in 1,000. If the deposit fails to meet these requirements or if the report

of the assayer indicates it to be unsuitable for mint operations, it shall not be purchased. Deposits are not accepted in Washington, D.C.

(b) Gold, contained in deposits of silver eligible for receipt at a Mint for return in bar form, may be purchased by the mints; such deposits, however, must contain not less than 600 parts of silver in 1,000 and not more than 99 parts of gold in 1,000.

(c) If otherwise permissible,² deposits may be withdrawn by depositors at any time before payment is tendered therefor, and thereafter at the option of the officer in charge of the mint or assay office, subject to payment in cash of such charges for melting, etc., as have been incurred up to the time of withdrawal.

(d) Rejected deposits are subject to payment in cash of such charges as have been incurred up to time of rejection and should be returned to the depositor unless the metal may not be received by the depositor.² If the depositor may not receive the metal, the deposit will be held for delivery at his request and for his account, and by authorization of the Director of the Mint, to a person authorized to receive such metal.

§ 90.3 Parting and refining charge (rate per gross troy ounce or fraction).

CLASS A—BULLION CONTAINING GOLD

Base content (thousandths)	Gold content (thousandths)		
	Up to 250	250½ to 500	500½ to 999½
Up to 50.....	Cents 4	Cents 6	Cents 12
Over 50 to 150.....	5	7	13
Over 150 to 250.....	7	10	16
Over 250 to 350.....	10	13	18
Over 350 to 450.....	13	16	21
Over 450 to 550.....	16	18	23
Over 550 to 650.....	18	21	23
Over 650 to 750.....	21	23	23
Over 750.....	23	23	23
Base content disregarded.....	(1)	(1)	6
Base content disregarded.....	(2)	(2)	-----

¹ Gold content 950 to 999½.

² Gold content 995 and over.

CLASS B—SILVER BULLION FREE FROM GOLD

Silver Content:	Charge (cents)
600 thousandths or less.....	12
600½ to 850 thousandths.....	9
850½ to 998½ thousandths.....	4

CLASS C—MISCELLANEOUS

Upon gold bullion from 899 to 917 thousandths fine, having but one precious metal present and having base content of good copper, including foreign coins and domestic mutilated or uncurrent coin, a refining charge will be imposed only when payment is to be made in fine bars, in which case a charge of 12 cents per gross ounce, or fraction, will be imposed. Domestic gold coins will be received only in accordance with the provisions of § 92.1 of this chapter.

No refining charge will be imposed on domestic mutilated or uncurrent silver coin received in accordance with Part 100 of this chapter.

² See § 90.9.

When bullion contains less than one-fourth thousandth of gold or less than 8 thousandths of silver, the gold or silver content respectively shall not be reported for the benefit of the depositor.

Gold coin containing 8 thousandths or over of silver acquires the status of bullion as regards charges and is subject to the appropriate charge for refining.

§ 90.4 Bar charges.

(a) *Charges on gold bars issued in exchange for gold bullion.*² (1) When payment in gold bars is requested without specification as to size, no bar charge will be imposed; except that when fine gold bullion of 995 or higher fineness is deposited in exchange for Government-stamped bars, a bar charge of 9 cents per \$100 value of bars issued will be made; and with the further exception that when fineness of 999.9 is requested and available, a charge of 24 cents per \$100 value of bars issued will be made.

(2) When special size bars are requested and are available, the bar charges will be:

Bar sizes (gross troy ounces):	Rate per \$100 value (cents)
Large, over 50 ounces.....	9
Medium, 25 to 50 ounces.....	12
Small, below 25 but not less than 15 ounces.....	14
Special, below 15 but not less than 5 ounces.....	17

(b) *Charges on silver bars (999 or higher fineness) sold, or issued in exchange for silver bullion.*² No bar charges are imposed except when special size bars are requested and are available, in which case the bar charges will be:

Bar sizes:	Rates per gross troy ounce (cents)
Not less than 500 ounces.....	¾
Between 125 and 500 ounces.....	1
125 ounces or less.....	2½
No charge will be imposed on 1,000 ounce bars.	

(c) *Charges on gold bars sold.*² (1) Gold bars may be sold only in lots of not less than 25 fine troy ounces and only when of a fineness of 899 thousandths or above.

(2) No bar charge will be imposed on any gold bars of a fineness below 999 thousandths when particular sizes or finenesses are not requested.

(3) The following bar charges will be made for bars of a fineness of 999 thousandths or above, for bars of particular fineness, and for bars of particular sizes, when any of such bars are requested and available:

Fineness (thousandths)	Bar sizes (gross troy ounces)	Rates per \$100 value
999 and above, but below 999.9, also below 999 when particular sizes or finenesses are requested.	Large, over 50 ounces.....	Cents 9
	Medium, 25 to 50 ounces.....	12
	Small, below 25 ounces but not less than 15 ounces.....	14
	Special, below 15 but not less than 5 ounces.....	17
999.9.....	Any size.....	24

§ 90.5 Assays of gold or silver bullion or jewelry free from platinum group metals.

	Charge
Gold.....	\$8.00
Silver.....	8.00
Gold and silver (same sample).....	14.00

An extra charge of \$4.00 for each assay of gold or silver will be imposed when the sample contains any of the platinum group metals.

§ 90.6 Assays of plated and filled goods (over 800 base metal) and white gold free from platinum group metals.

	Charge
Gold.....	\$9.00
Silver.....	9.00

An extra charge of \$4.00 for each assay of gold or silver will be imposed when the sample contains any of the platinum group metals.

§ 90.7 Assays of ores.

Assays of ores will be made at the United States Mint at Denver, Colorado. The charge for each metal determined will be:

	Charge
Gold.....	\$3.50
Silver.....	3.50
Gold and silver (same sample).....	6.00
Lead.....	6.00
Zinc.....	6.00
Copper.....	5.00

§ 90.8 Assaying and stamping charges.*

On bullion deposited for the purpose of receiving the Government assay and stamp the melting and assay charges above specified shall be imposed.

§ 90.9 General provision.*

Nothing in this part shall be applied in a manner inconsistent with, or deemed to amend, modify, or repeal, any acts, orders, proclamations, regulations, or instructions, relating to gold or silver.

[SEAL]

EVA ADAMS,
Director of the Mint.

Approved: May 5, 1966.

ROBERT A. WALLACE,
*Assistant Secretary
of the Treasury.*

[F.R. Doc. 66-5174; Filed, May 11, 1966;
8:47 a.m.]

Title 32—NATIONAL DEFENSE

Chapter VI—Department of the Navy

SUBCHAPTER B—NAVIGATION

PART 706—NAVIGATIONAL LIGHT WAIVERS

Miscellaneous Amendments

Sections 360 and 1052 of Title 33, United States Code, provide that the requirements of the Regulations for Pre-

* See § 90.9.

* Sections 54.44 and 54.52 of this chapter set forth the purchase and sale price of gold purchased and sold by the U.S. Mints and Assay Offices under Subparts F and G of the Gold Regulations (§§ 54.35-54.52 of this chapter). The one-fourth of 1 percent charge referred to therein shall be in addition to all other mint charges in connection with purchase or sale of gold by the United States.

venting Collisions at Sea, 1960, the Inland Rules, the Great Lakes Rules and the Western River Rules as to number, position, range of visibility, or arc of visibility of the lights required to be displayed by vessels shall not apply to any vessel of the Navy when the Secretary of the Navy shall find or certify that, by reason of special construction, it is not possible for such vessel or class of vessels to comply with the statutory provisions as to navigation lights.

A recent study indicates that the military design characteristics of the Motor Gunboat (PGM) preclude the installation of the two 20-point white lights (Masthead and Range Lights) in conformance with currently existing waivers on such lights or with Rule 2(a) of the Regulations for Preventing Collisions at Sea (33 U.S.C. 1062(a)). This same study further indicates that the military design characteristics of the Motor Gunboat (PGM) also preclude the installation of the three towing lights required when the length of tow exceeds 600 feet and the installation of the three task lights in conformance with the currently existing waivers on such lights or with Rule 3(a) and 4(c) of the Regulations for Preventing Collisions at Sea (33 U.S.C. 1063(a) and 1064(c)).

I hereby certify that these Motor Gunboats (PGM) are naval vessels of special construction and, with respect to the position on such vessels of the two 20-point white lights, the towing lights, and the task lights, it is not possible to comply with the requirements of the statutes referred to in sections 360 and 1052, Title 33, United States Code.

I further find that it is feasible to locate these said navigation lights as follows:

(a) The forward 20-point white light shall be carried at a height of 16 feet or more above the hull.

(b) The ratio of the horizontal to the vertical distance between the two 20-point white lights shall be 1.0 or greater to 1; however, the horizontal distance between the forward and after 20-point white lights shall be 19 feet or greater.

(c) The vertical separation between the two lower of the three towing lights when length of tow exceeds 600 feet shall be 3 feet or greater. On radome equipped PGM's the three towing lights shall be carried in a vertical line, equally spaced and not less than 3 feet apart in lieu of the prescribed 6-foot separation.

(d) The vertical separation between the two lower of the three task lights shall be 3 feet or greater. On radome equipped PGM's, the three task lights shall be carried in a vertical line, equally spaced and not less than 3 feet apart in lieu of the prescribed 6-foot separation.

Further, I certify that such locations constitute compliance as closely with the applicable statutes as I hereby find to be feasible.

I do specify that this waiver amends the consolidated tabulation of lights set forth in Table 1 of section 706.2, Title 32, Code of Federal Regulations as published in the FEDERAL REGISTER of August 31, 1965 (30 F.R. 11172), as amended in the FEDERAL REGISTER of November 17, 1965 (30 F.R. 14373), by revising the

"PGM (Motor Gunboat)" line to read as follows:

	1st col.	2d col.	3d col.	4th col.
PGM (Motor Gunboat)	8 or less.	None	1.0 or greater to 1.	19 or greater.

I do direct that Note 11 of § 706.2, Title 32, Code of Federal Regulations as published in the FEDERAL REGISTER of August 31, 1965 (30 F.R. 11173), and amended in the FEDERAL REGISTER of November 17, 1965 (30 F.R. 14373), be revised to read as follows:

"11. On motor gunboats (PGM), guided missile destroyers known as the DDG-2 Class, and on destroyer-type vessels when engaged in towing vessels or objects exceeding 600 feet in length, the two lower of the three towing 20-point white lights will be separated from 3 feet to 15 feet vertically in lieu of the prescribed 6-foot separation. On radome equipped PGM's, the three towing lights shall be carried in a vertical line, equally spaced and not less than 3 feet apart in lieu of the prescribed 6-foot separation (based on International Rule 3(a)).

I do further direct that the Notes under § 706.2, Title 32, Code of Federal Regulations as published in the FEDERAL REGISTER of August 31, 1965 (30 F.R. 11172, 11173) as amended (30 F.R. 14373, 14707), be further amended by adding Note 13 to read as follows:

"13. On motor gunboats (PGM), the vertical separation between the two lower of the three task lights shall be 3 feet or greater. On radome equipped PGM's, the three task lights shall be carried in a vertical line, equally spaced and not less than 3 feet apart in lieu of the prescribed 6-foot separation (based on International Rule 4(c)).

I specify that the foregoing amendments shall become effective on the date of publication of this document in the FEDERAL REGISTER.

(Sec. 1, 59 Stat. 590, sec. 2, 77 Stat. 194, 33 U.S.C. 360, 1052)

Dated: May 3, 1966.

[SEAL] ROBERT H. B. BALDWIN,
Under Secretary of the Navy.

[F.R. Doc. 66-5178; Filed, May 11, 1966;
8:47 a.m.]

Chapter XVIII—Office of Civil Defense, Office of the Secretary of the Army

PART 1810—CIVIL DEFENSE IDENTIFICATION FOR FEDERAL EMPLOYEES, RESERVISTS AND NON-FEDERAL SUPPORT PERSONNEL

Miscellaneous Amendments

1. Section 1810.4 is revised to read as set forth below; changes include the deletion of "Housing and Home Finance Agency" from the list in paragraph (a), and the addition to the list of the names "Department of Housing and Urban Development," "General Accounting Office," and "Government Printing Office"; and in paragraph (b), the wording "Director of Civil Defense" is used in place of "Assistant Secretary of Defense (Civil Defense)."

§ 1810.4 Issuance authority.

(a) The departments, agencies and Federal officials listed below are authorized to issue the identification card described in this part:

Agency for International Development.
Department of Agriculture.
Atomic Energy Commission.
Bureau of the Budget.
Central Intelligence Agency.
Civil Aeronautics Board.
Civil Service Commission.
Council of Economic Advisors.
Department of Commerce.
Department of Defense.
Export-Import Bank.
Farm Credit Administration.
Federal Aviation Agency.
Federal Bureau of Investigation.
Federal Communications Commission.
Federal Deposit Insurance Corporation.
Federal Home Loan Bank Board.
Federal Power Commission.
Federal Reserve System Board of Governors.
General Accounting Office.
General Services Administration.
Government Printing Office.
Department of Health, Education and Welfare.
Department of Housing and Urban Development.
Department of the Interior.
Interstate Commerce Commission.
Department of Justice.
Department of Labor.
National Aeronautics and Space Administration.
Office of Emergency Planning.
National Science Foundation.
National Security Council.
Post Office Department.
Railroad Retirement Board.
Securities and Exchange Commission.
Selective Service System.
Small Business Administration.
Department of State.
Tennessee Valley Authority.
Department of the Treasury.
U.S. Information Agency.
Veterans Administration.
The Naval Aide to the President, for the White House Staff; The Clerk, United States Supreme Court; the Director, Administrative Office of the United States Courts for the Judicial Branch of the Federal Government; The Architect of the Capitol, for the Legislative Branch of the Federal Government.

(b) *Additions to the authorized list.* Departments, agencies or Federal officials not included in the list in paragraph (a) of this section may request the Director of Civil Defense to authorize use of the identification card prescribed by this regulation. Approval of such requests will be based on adequate justification of the need for such identification. The list in paragraph (a) of this section, of departments, agencies, and Federal officials authorized to include additionally authorized departments, agencies or Federal officials.

2. Paragraph (a) of § 1810.6 is amended by striking the wording "ASD-(CD)" where the same appears and inserting the wording "Director of Civil Defense" in place thereof. Changes are also made in paragraph (c). As so amended, § 1810.6 (a) and (c) reads as follows:

§ 1810.6 Procedure for procurement of Standard Form 138.

(a) Each department, agency and official listed in § 1810.4, and those later approved by the Director of Civil Defense for inclusion under the provisions of this part, will review the issuance criteria prescribed in § 1810.5 and determine the number of Federal employees, reservists and non-Federal support personnel requiring an emergency identification card.

(c) Blank identification cards will be pre-numbered in sequence, beginning with "CD 1001." Issuance control will be maintained by the GSA Federal Supply Service. The cards will be stocked and issued as a regular item of supply by the Federal Supply Service, Region 3, Washington, D.C. Issues will be restricted to the departments, agencies and officials authorized in § 1810.4 to issue such cards. The Federal Supply Service will maintain records of such issues and, upon request, provide data on total cumulative issues to the Statistics and Reports Division, Office of the Comptroller, Office of Civil Defense, Office of the Secretary of the Army.

3. Paragraphs (g) and (h) of § 1810.7 are amended to read as follows:

§ 1810.7 Responsibilities.

(g) Maintaining records and reporting upon request to the Director of Civil Defense, Office of the Secretary of the Army, the following:

- (1) The number of cards issued and outstanding to:
 - (i) Federal employees.
 - (ii) Reservists.
 - (iii) Non-Federal Support Personnel.
- (2) Total number of cards recalled and in safe-keeping.
- (3) Total number of cards destroyed.
- (4) Cards available for issue.
- (h) Regaining possession of and destroying all SF-138 cards from personnel whose employment the issuing agency has ceased.

4. The section heading of § 1810.8 is amended to read as follows:

§ 1810.8 Related functions of Director of Civil Defense.

5. Section 1810.9 is amended by striking the word "and" where it appears between the words "military" and "Coast" in line 1 and inserting a comma in place thereof and by adding after the word "personnel" in line 2 the wording "and officers of the Commissioned Corps of the U.S. Public Health Service". As so amended, § 1810.9 reads as follows:

§ 1810.9 Exceptions from coverage.

Active and reserve military, Coast Guard personnel, and officers of the Commissioned Corps of the U.S. Public Health Service, in or out of uniform, under orders to report to an emergency duty post or installation, will not be provided the identification card pre-

scribed by this part. Such personnel will rely on the identification provided by the appropriate military department.

§ 1810.10 [Deleted]

6. Section 1810.10, "Recissions", is deleted in its entirety as being no longer applicable.

(Secs. 201, 204, and 401 of the Federal Civil Defense Act of 1950, as amended, 64 Stat. 1245-1257, 50 U.S.C. App. 2251-2297; Reorganization Plan No. 1 of 1958, as amended, 72 Stat. 1799-1801, 23 F.R. 4991; Executive Order 10952 of July 20, 1961, as amended, 26 F.R. 6577; Delegation of Authority Regarding Civil Defense Functions and Establishment of the Office of Civil Defense, published April 10, 1964, 29 F.R. 5017)

Effective date. These amendments shall be effective upon publication in the FEDERAL REGISTER.

WILLIAM P. DURKEE,
Director of Civil Defense.

[F.R. Doc. 66-5150; Filed, May 11, 1966; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 101—Federal Property Management Regulations

SUBCHAPTER E—SUPPLY AND PROCUREMENT

PART 101-26—PROCUREMENT SOURCES AND PROGRAMS

Similar Items

Subpart 101-26.3 and Subpart 101-26.4 are revised to provide that requests to procure items similar to those available from stores stock or Federal Supply Schedule contracts are to be submitted directly to the Commissioner, Federal Supply Service. The Commissioner will be the approving authority if such waivers are granted. A comprehensive list of data required for effective and expedited analysis of these requests by GSA has been included.

Subpart 101-26.3 is amended as follows:

Subpart 101-26.3—Procurement From GSA Stores Stock

§ 101-26.301-1 Similar items.

(b) When an agency determines that items available from GSA stores stock will not serve the required functional end use requirements, requests to waive the requirement for using such GSA stock items shall be submitted to GSA for consideration.

(c) Requests for waivers, including those involving Federal Supply Schedule items (see § 101-26.401-3), shall be submitted to the Commissioner, Federal Supply Service, General Services Administration, Washington, D.C., 20405, and, if considered justified, will be approved by him. If disapproved, the requesting

office will be so notified. Such requests shall contain:

(1) Complete description of the item requested; descriptive literature such as cuts, illustrations, drawings, and brochures which show the characteristics or construction of the item or explain its operation should be furnished wherever possible in satisfaction of this requirement.

(2) Comparison of price and pertinent technical differences between the item requested and the GSA item.

(i) Inadequacies of the GSA item in performing required functions.

(ii) Advantages of the item requested, such as technical, economic, or other.

(3) Quantity required; if demand is recurrent (estimate annual usage), non-recurrent, or unpredictable, so state.

(4) Other pertinent data when applicable.

Subpart 101-26.4 is amended as follows:

Subpart 101-26.4—Purchase of Items From Federal Supply Schedule Contracts

§ 101-26.401-3 Similar items.

(a) Agencies required to use Federal Supply Schedule contracts shall obtain needed items from this source in lieu of procuring similar items from other sources when the Federal Supply Schedule item will adequately serve the required functional purpose.

(b) When an agency determines that items available from Federal Supply Schedule contracts will not serve the required functional end use requirements, requests to waive the requirement for using such Federal Supply Schedule items shall be submitted to GSA in a similar manner to that set forth in § 101-26.301-1 for stores stock items.

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c))

Effective date. This regulation is effective upon publication in the FEDERAL REGISTER.

Dated: May 4, 1966.

J. E. MOODY,
*Acting Administrator of
General Services.*

[F.R. Doc. 66-5175; Filed, May 11, 1966; 8:47 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 33—SPORT FISHING

Deer Flat National Wildlife Refuge, Idaho

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER:

§ 33.5 Special regulations: sport fishing; for individual wildlife refuge areas.

IDAHO

DEER FLAT NATIONAL WILDLIFE REFUGE

Sport fishing on the Deer Flat National Wildlife Refuge, Idaho, is permitted on the area designated by signs as open to fishing. This open area, comprising 9,500 acres, is delineated on maps available at the refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, 730 Northeast Pacific Street, Portland, Oreg., 97208. Sport fishing shall be in accordance with all applicable State regulations, subject to the following special conditions:

(1) Use of motorboats is prohibited from October 1, 1966, to January 31, 1967, on Lake Lowell.

(2) Motorboats to be operated on Lake Lowell during daylight hours only.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally, which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective to May 1, 1967.

JOHN D. FINDLAY,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

MAY 2, 1966.

[F.R. Doc. 66-5158; Filed, May 11, 1966; 8:45 a.m.]

PART 33—SPORT FISHING

National Bison Range, Mont.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations: sport fishing; for individual wildlife refuge areas.

MONTANA

NATIONAL BISON RANGE

Sport fishing on the National Bison Range, Mont., is permitted only on the area designated by signs as open to fishing. This open area, comprising approximately 100 acres, consists of lands along the Jocko River south of the Big Game Fence. Sport fishing shall be in accordance with all applicable State regulations.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective to May 1, 1967.

JOHN D. FINDLAY,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

MAY 3, 1966.

[F.R. Doc. 66-5159; Filed, May 11, 1966; 8:45 a.m.]

PART 33—SPORT FISHING

Ravalli National Wildlife Refuge, Mont.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations: sport fishing; for individual wildlife refuge areas.

MONTANA

RAVALLI NATIONAL WILDLIFE REFUGE

Sport fishing on the Ravalli National Wildlife Refuge, Mont., is permitted only on the area designated by signs as open to fishing. This open area consists only of refuge lands within and including the east bank of the Bitterroot River for a distance of approximately 2¼ miles. Sport fishing shall be in accordance with all applicable State regulations.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective to May 1, 1967.

JOHN D. FINDLAY,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

MAY 3, 1966.

[F.R. Doc. 66-5160; Filed, May 11, 1966; 8:46 a.m.]

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

[Ex Parte No. 73; Ex Parte No. MC-1]

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

PART 142—EXTENSION OF CREDIT TO SHIPPERS

SUBCHAPTER B—CARRIERS BY MOTOR VEHICLE

PART 188—EXTENSION OF CREDIT TO SHIPPERS

Payment of Rates and Charges of Motor Carriers

At a general session of the Interstate Commerce Commission, held at its Office in Washington, D.C., on the 8th day of April 1966.

It appearing, that on July 15, 1963, the Commission entered an order instituting an investigation in these proceedings to determine whether rules and regulations governing the extension of credit for railroads and motor common carriers prescribed pursuant to authority granted in sections 3(2) and 223 of the Interstate Commerce Act, and published in the Code of Federal Regulations, were serving their purpose;

And it further appearing, that the Commission, on the date hereof, has made and filed its report herein setting forth the basis for its conclusions and findings, which report and prior reports in 57 I.C.C. 591, 59 I.C.C. 456, 63 I.C.C.

375, 69 I.C.C. 351, 171 I.C.C. 268, 273 I.C.C. 681, 310 I.C.C. 391, 313 I.C.C. 97, and 2 M.C.C. 365, are hereby referred to and made a part hereof:

It is ordered, That the following sections of Part 142, be, and they are hereby, revised and modified as follows:

1. Amend § 142.1 to read as follows:

§ 142.1 Carrier may extend credit to shipper.

The carrier, upon taking precautions deemed by it to be sufficient to assure payment of the tariff charges within the credit periods specified in this part, may relinquish possession of freight in advance of the payment of the tariff charges thereon and may extend credit in the amount of such charges to those who undertake to pay such charges, such persons herein being called shippers, for a period of 48 hours computed as set forth in this part. In regard to traffic of nonprofit shippers' associations and shippers' agents, within the meaning of section 402(c) of part IV of the Interstate Commerce Act, the carriers shall require such organizations to furnish the names of the beneficial owners of the property in the bills of lading or at least have the bills of lading incorporate by reference a document containing the names of the beneficial owners.

2. Amend § 142.8 to read as follows:

§ 142.8 Presentation of freight bills.

Every carrier shall present freight bills for all transportation charges except those specifically excepted in this part to shippers prior to the first 12 o'clock midnight following forwarding of prepaid

shipments or delivery of collect shipments except that when information sufficient to enable the carrier to compute the tariff charges is not then available to the carrier at the billing point, the freight bills shall be presented not later than the first 12 o'clock midnight following the day upon which sufficient information becomes available at the billing point of the carrier. A carrier shall not extend further credit to any shipper which fails to furnish sufficient information to allow the carrier to render a freight bill within a reasonable time after the shipment is tendered to the origin carrier. As used in this section the term "shipper" includes, but is not limited, to, freight forwarders as well as shippers' associations and shippers' agents within the meaning of section 402(c) of part IV of the Interstate Commerce Act.

(Sec. 12, 24 Stat. 383 as amended; 49 U.S.C. 12. Interpret or apply sec. 3, 24 Stat. 380, as amended: 49 U.S.C. 3)

3. *It is further ordered*, That § 188.1 of Part 188 be, and it is hereby, revised and modified as follows:

§ 188.1 Carrier may extend credit to shipper.

Upon taking precautions deemed by them to be sufficient to assure payment of the tariff charges within the credit period herein specified, common carriers by motor vehicle may relinquish possession of freight in advance of the payment of the tariff charges thereon and may extend credit in the amount of such charges to those who undertake to pay them, such persons herein being called

shippers, for a period of 7 days excluding Saturdays, Sundays, and legal holidays. When the freight bill covering a shipment is presented to the shipper on or before the date of delivery, the credit period shall run from the first 12 o'clock midnight following delivery of the freight. When the freight bill is not presented to the shipper on or before the date of delivery, the credit period shall run from the first 12 o'clock midnight following the presentation of the freight bill. In regard to traffic of nonprofit shippers' associations and shippers' agents, within the meaning of section 402(c) of part IV of the Interstate Commerce Act, the carriers shall require such organizations to furnish the names of the beneficial owners of the property in the bills of lading or at least have the bills of lading incorporate by reference a document containing the names of the beneficial owners.

(49 Stat. 546, as amended; 49 U.S.C. 304. Interpret or apply 49 Stat. 565; 49 U.S.C. 323)

It is further ordered, That these amendments shall become effective July 21, 1966.

And it is further ordered, That notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D.C., and by filing with the Director, Office of the Federal Register.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-5185; Filed, May 11, 1966; 8:48 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAX

Gain From Dispositions of Certain Depreciable Realty

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: CC:LR, Washington, D.C., 20224, within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

In order to conform the Income Tax Regulations (26 CFR Part 1) to certain provisions of section 231 of the Revenue Act of 1964 (78 Stat. 100), relating to gain from dispositions of certain depreciable realty, such regulations are amended as follows:

PARAGRAPH 1. Paragraph (c)(3)(i) and (ii) of § 1.170-1 is amended to read as follows:

§ 1.170-1 Charitable, etc., contributions and gifts; allowance of deduction.

(c) Contribution in property. * * *
(3) Reduction for depreciable property. (i) With respect to a charitable contribution of section 1245 property (as defined in section 1245(a)(3)), or section 1250 property (as defined in section 1250(c)), section 170(e) requires that the amount of the charitable contribution taken into account under section 170 shall be reduced by the amount which would have been treated (but was not actually treated) as gain to which section 1245(a)(1) or 1250(a)(1) (relating to gain from dispositions of depreciable

property) applies if the property contributed had been sold at its fair market value (determined at the time of such contribution).

(ii) Section 170(e) applies to charitable contributions of section 1245 property in taxable years beginning after December 31, 1962, except that in respect of section 1245 property which is an elevator or escalator section 170(e) applies to charitable contributions after December 31, 1963. Section 170(e) applies to charitable contributions of section 1250 property after December 31, 1963.

PAR. 2. Section 1.301 is amended by revising subsections (b)(1)(B)(ii) and (d)(2)(B) of section 301 and the historical note to read as follows:

§ 1.301 Statutory provisions; distributions of property.

Sec. 301. Distributions of property. * * *
(b) Amount distributed—(1) General rule. * * *

(B) Corporate distributees. * * *
(ii) The adjusted basis (in the hands of the distributing corporation immediately before the distribution) of the other property received, increased in the amount of gain to the distributing corporation which is recognized under subsection (b) or (c) of section 311, under section 341(f), or under section 1245(a) or 1250(a).

(d) Basis—(1) Noncorporate distributees. * * *

(B) The adjusted basis (in the hands of the distributing corporation immediately before the distribution) of such property, increased in the amount of gain to the distributing corporation which is recognized under subsection (b) or (c) of section 311, under section 341(f), or under section 1245(a) or 1250(a).

[Sec. 301 as amended by sec. 5 (a) and (b), Rev. Act 1962 (76 Stat. 977); sec. 13(f)(2), Rev. Act 1962 (76 Stat. 1035); sec. 231(b)(2), Rev. Act 1964 (78 Stat. 105); Act of Aug. 22, 1964 (Pub. Law 88-484, 78 Stat. 597)]

PAR. 3. Section 1.301-1 is amended by revising paragraph (d), paragraph (h)(2)(ii)(b), paragraph (j)(1), example (1) in paragraph (k), and paragraph (n)(2). These revised provisions read as follows:

§ 1.301-1 Rules applicable with respect to distributions of money and other property.

(d) Distributions of property to corporate shareholders. If property (other than money and other than the obligations of the distributing corporation) is distributed in kind to a shareholder which is a corporation and the fair market value of such property is greater than the adjusted basis in the hands of the distributing corporation, only the adjusted

basis of such property (determined immediately before the distribution and increased for any gain recognized to the distributing corporation under section 311 (b) and (c) and section 1245(a) or 1250(a)) shall be taken into account under section 301(c). Thus, in such a case, the amount of such a dividend in kind under section 301(c)(1) may not exceed such adjusted basis. Similarly, in such cases where the distribution is not out of earnings and profits, the amount of the reduction in basis of the shareholder's stock and the amount of any gain resulting from such distribution are determined by reference to the adjusted basis of the property distributed. If the property distributed is money, the amount of the distribution shall be the amount of such money. If the property distributed consists of the obligations of the distributing corporation, or stock of the distributing corporation treated as property under section 305(b), or rights to acquire such stock treated as property under section 305(b), the amount of such distribution shall be an amount equal to the fair market value of such obligations, stock, or rights. For special rules as to distributions by a foreign corporation of property (other than money, the obligations of the distributing corporation, stock of the distributing corporation treated as property under section 305(b), or rights to acquire such stock treated as property under section 305(b)) after December 31, 1962, to a shareholder which is a corporation, see section 301(b)(1)(C) and paragraph (n) of this section.

(h) Basis. * * *

(2) * * *

(ii) * * *

(b) The adjusted basis (in the hands of the distributing corporation immediately before the distribution) of such property increased in the amount of gain to the distributing corporation which is recognized under section 311(b) (relating to distributions of LIFO inventory), section 311(c) (relating to distributions of property subject to liabilities in excess of basis) or section 1245(a) or 1250(a) (relating to gain from dispositions of certain depreciable property);

(j) Transfers for less than fair market value. * * *

(1) Where the fair market value of the property equals or exceeds its adjusted basis in the hands of the distributing corporation the amount of the distribution shall be the excess of the adjusted basis (increased by the amount of gain recognized under section 311 (b) or (c) or section 1245(a) or 1250(a) to the distributing corporation) over the amount paid for the property;

(k) *Application of rule respecting transfers for less than fair market value.* * * *

Example (1). On January 1, 1955, A, an individual shareholder of corporation X, purchased property from that corporation for \$20. The fair market value of such property was \$100, and its basis in the hands of corporation X was \$25. The amount of the distribution determined under section 301(b) is \$80. If A were a corporation, the amount of the distribution would be \$5 (assuming that sections 311 (b) and (c), 1245(a), and 1250(a) do not apply), the excess of the basis of the property in the hands of corporation X over the amount received therefor. The basis of such property to corporation A would be \$25. If the basis of the property in the hands of corporation X were \$10, the corporate shareholder, A, would not receive a distribution. The basis of such property to corporation A would be \$20. Whether or not A is a corporation, the excess of the amount paid over the basis of the property in the hands of corporation X (\$20 over \$10) would be a taxable gain to corporation X.

(n) *Distributions of certain property by foreign corporations to corporate shareholders.* * * *

(2) If any deduction is allowable to the recipient under section 245 with respect to a distribution of property described in subparagraph (1) of this paragraph and if the fair market value of the property exceeds its adjusted basis in the hands of the distributing corporation (increased by any gain to the distributing corporation recognized under section 311 (b) or (c), or under section 1245 (a) or 1250(a)), then the amount taken into account under section 301(c) shall be determined under subparagraph (3) of this paragraph. In order to determine such amount—

(i) First, compute the portion, if any, of the adjusted basis of the property (increased by any gain to the distributing corporation recognized under section 311 (b) or (c), or under section 1245(a) or 1250(a)) which is out of earnings and profits of the taxable year (within the meaning of section 316(a)(2)).

(ii) Second, compute the portion, if any, of the adjusted basis of the property (increased by any gain to the distributing corporation recognized under section 311 (b) or (c), or under section 1245(a) or 1250(a)) which is out of earnings and profits accumulated during the portion of the uninterrupted period described in section 245(a) which ends at the beginning of the taxable year.

(iii) Third, compute the portion, if any, of the adjusted basis of the property (increased by any gain to the distributing corporation recognized under section 311 (b) or (c), or under section 1245(a) or 1250(a)) which is out of sources other than earnings and profits of the taxable year and earnings and profits accumulated during the uninterrupted period described in section 245(a).

(iv) Fourth, with respect to each of the portions computed under subdivisions (i), (ii), and (iii) of this subparagraph, determine the proportionate part of the fair market value of the property attributable to such portion. The pro-

portionate part of the fair market value attributable to each portion shall be such fair market value multiplied by the ratio which such portion bears to the sum of all portions.

PAR. 4. Section 1.312 is amended by revising section 312(c)(3) and the historical note to read as follows:

§ 1.312 *Statutory provisions; effect on earnings and profits.*

Sec. 312. *Effect on earnings and profits.* * * *

(c) *Adjustments for liabilities, etc.* * * *
(3) Any gain to the corporation recognized under subsection (b) or (c) of section 311 or under section 1245(a) or 1250(a).

[Sec. 312 as amended by sec. 13(f)(3), Rev. Act 1962 (76 Stat. 1035); sec. 231(b)(3), Rev. Act 1964 (78 Stat. 105)]

PAR. 5. Section 1.312-3 is amended to read as follows:

§ 1.312-3 *Liabilities.*

The amount of any reductions in earnings and profits described in section 312 (a) or (b) shall be (a) reduced by the amount of any liability to which the property distributed was subject and by the amount of any other liability of the corporation assumed by the shareholder in connection with such distribution, and (b) increased by the amount of gain recognized to the corporation under section 311 (b) or (c) or under section 1245(a) or 1250(a).

PAR. 6. Paragraph (c)(1) of § 1.453-9 is amended to read as follows:

§ 1.453-9 *Gain or loss on disposition of installment obligations.*

(c) *Disposition from which no gain or loss is recognized.* (1) (i) Under section 453(d)(4)(A), no gain or loss shall be recognized to a distributing corporation with respect to the distribution of installment obligations if the distribution is made, pursuant to a plan for the complete liquidation of a subsidiary meeting the requirements of section 332, to a corporation in the hands of which no gain or loss is recognized with respect to such distribution. However, if the basis of the property of the liquidating corporation in the hands of the distributee is determined under section 334(b)(2), then the preceding sentence shall not apply to the extent that under section 453(d)(1) gain to the distributing corporation would be considered as gain to which section 1245(a)(1) or 1250(a)(1) (relating to gain from dispositions of depreciable property) applies, computed under the principles of paragraph (d) of § 1.1245-6 or paragraph (b)(6) of § 1.1250-1, whichever is applicable.

(ii) Under section 453(d)(4)(B), no gain or loss shall be recognized to a distributing corporation with respect to the distribution of installment obligations if the distribution is made, pursuant to a plan for the complete liquidation of a corporation which meets the requirements of section 337, under conditions whereby no gain or loss would have been

recognized to the corporation had such installment obligations been sold or exchanged on the day of the distribution. The preceding sentence shall not apply to the extent that under section 453(d)(1) gain to the distributing corporation would be considered as gain to which section 1245(a)(1) or 1250(a)(1) applies, computed under the principles of paragraph (d) of § 1.1245-6 or paragraph (b)(6) of § 1.1250-1, whichever is applicable.

PAR. 7. Section 1.751 is amended by revising section 751(c) and the historical note to read as follows:

§ 1.751 *Statutory provisions; unrealized receivables and inventory items.*

Sec. 751. *Unrealized receivables and inventory items.* * * *

(c) *Unrealized receivables.* For purposes of this subchapter, the term "unrealized receivables" includes, to the extent not previously includible in income under the method of accounting used by the partnership, any rights (contractual or otherwise) to payment for—

(1) Goods delivered, or to be delivered, to the extent the proceeds therefrom would be treated as amounts received from the sale or exchange of property other than a capital asset, or
(2) Services rendered, or to be rendered.

For purposes of this section and sections 731, 736, and 741, such term also includes section 1245 property (as defined in section 1245(a)(3)) and section 1250 property (as defined in section 1250(c)), but only to the extent of the amount which would be treated as gain to which section 1245(a) or 1250(a) would apply if (at the time of the transaction described in this section or section 731, 736, or 741, as the case may be) such property had been sold by the partnership at its fair market value.

[Sec. 751 as amended by sec. 13(f)(1), Rev. Act 1962 (76 Stat. 1035); sec. 231(b)(6), Rev. Act 1964 (78 Stat. 105)]

PAR. 8. Paragraph (c) of § 1.751-1 is amended by revising subparagraphs (4), (5), and (6) to read as follows:

§ 1.751-1 *Unrealized receivables and inventory items.*

(c) *Unrealized receivables.* * * *

(4) (i) With respect to any taxable year of a partnership beginning after December 31, 1962, the term "unrealized receivables," for purposes of this section and sections 731, 736, 741, and 751, also includes "potential section 1245 income." With respect to each item of partnership section 1245 property (as defined in sec. 1245(a)(3)), "potential section 1245 income" is the amount which would be treated as gain to which section 1245(a)(1) would apply if (at the time of the transaction described in section 731, 736, 741, or 751, as the case may be) the item of section 1245 property were sold by the partnership at its fair market value. See paragraph (e)(1) of § 1.1245-1. For example, if a partnership would recognize under section 1245(a)(1) gain of \$600 upon a sale of one item of section 1245 property and gain of \$300 upon a sale of its only other item of such prop-

erty, the potential section 1245 income of the partnership would be \$900.

(ii) With respect to any taxable year of a partnership ending after December 31, 1963, the term "unrealized receivables," for purposes of this section and sections 731, 736, 741, and 751, also includes "potential section 1250 income." With respect to each item of partnership section 1250 property (as defined in section 1250(c)), "potential section 1250 income" is the amount which would be treated as gain to which section 1250(a)(1) would apply if (at the time of the transaction described in section 731, 736, 741, or 751, as the case may be) the item of section 1250 property were sold by the partnership at its fair market value. See paragraph (e)(1) of § 1.1250-1.

(iii) For purposes of determining potential section 1245 income or potential section 1250 income, any arm's-length agreement between the buyer and seller, or between the partnership and distributee partner, will generally establish the fair market value of section 1245 property or section 1250 property (as the case may be).

(5) For purposes of subtitle A of the Code, the basis of potential section 1245 income and of potential section 1250 income is zero.

(6)(i) If (at the time of the transaction referred to in subparagraph (4) of this paragraph) a partnership holds section 1245 (or 1250) property and if (a) a partner had a special basis adjustment under section 743(b) in respect of the property, or (b) the basis under section 732 of the property if distributed to the partner would reflect a special basis adjustment under section 732(d), or (c) on the date a partner acquires his partnership interest by way of a sale or exchange (or upon death of another partner) the partnership owned the property and an election under section 754 was in effect with respect to the partnership, then the partner's share of the potential section 1245 (or 1250) income of the partnership in respect of the property shall be determined under subdivision (ii) of this subparagraph.

(ii) The partner's share of the potential section 1245 (or 1250) income of the partnership in respect of the property to which this subdivision applies shall be that amount of gain which the partner would recognize under paragraph (e)(3) of § 1.1245-1 (or paragraph (e) of § 1.1250-1) upon a sale of the property by the partnership, except that, for purposes of this subparagraph (a) the items which are allocated under (or in a manner consistent with the principles provided in) paragraph (e)(3)(ii) of § 1.1245-1 shall be allocated to the partner in the same manner as his share of partnership property is determined, and (b) the amount of a special basis adjustment under section 732(d) shall be treated as if it were the amount of a special basis adjustment under section 743(b).

PAR. 9. Paragraph (c)(1) of § 1.1245-1 is amended to read as follows:

§ 1.1245-1 General rule for treatment of gain from dispositions of certain depreciable property.

(c) *Other dispositions.* (1) In the case of a disposition of section 1245 property other than by way of a sale, exchange, or involuntary conversion, the gain to which section 1245(a)(1) applies is the amount by which (i) the lower of the fair market value of the property on the date of disposition or the recomputed basis of the property, exceeds (ii) the adjusted basis of the property. If property is transferred by a corporation to a shareholder for an amount less than its fair market value in a sale or exchange, for purposes of applying section 1245 such transfer shall be treated as a disposition other than by way of a sale, exchange, or involuntary conversion.

PAR. 10. Paragraph (a) of § 1.1245-2 is amended by adding a new subparagraph (8). The new provision reads as follows:

§ 1.1245-2 Definition of recomputed basis.

(a) *General rule.* * * *

(8) *Exempt organizations.* In respect of property disposed of by an organization which is or was exempt from income taxes (within the meaning of section 501(b)), adjustments reflected in the adjusted basis (within the meaning of subparagraph (2) of this paragraph) shall include only depreciation or amortization allowed or allowable in computing unrelated business taxable income (as defined in section 513(a)), or (b) in computing taxable income of a person for a period such person was not exempt or, by reason of the application of section 502, 503, or 504, was denied its exemption.

PAR. 11. Paragraph (d) of § 1.1245-4 is amended by revising so much of subparagraph (4) as precedes subdivision (i) thereof, and by adding new subparagraph (7). These revised and added provisions read as follows:

§ 1.1245-4 Exceptions and limitations.

(d) *Limitation for like kind exchanges and involuntary conversions.* * * *

(4) *Application to disposition of section 1245 property and nonsection 1245 property in one transaction.* For purposes of this paragraph, if both section 1245 property and nonsection 1245 property are acquired as the result of one disposition in which both section 1245 property and nonsection 1245 property are disposed of, then except as provided in subparagraph (7) of this paragraph—

(7) *Coordination with section 1250.* For purposes of this paragraph, if section 1245 property and section 1250 property are disposed of in one transaction in which the property acquired includes section 1250 property, the allocation rules of paragraph (d)(6) of § 1.1250-3 shall apply.

PAR. 12. Paragraphs (b) and (e) of § 1.1245-6 are amended to read as follows:

§ 1.1245-6 Relation of section 1245 to other sections.

(b) *Nonrecognition sections overridden.* The nonrecognition provisions of subtitle A of the Code, which section 1245 overrides include, but are not limited to, sections 267(d), 311(a), 336, 337, 501(a), and 512(b)(5). See section 1245(b) for the extent to which section 1245(a)(1) overrides sections 332, 351, 361, 371(a), 374(a), 721, 731, 1031, 1033, 1071, and 1081(b)(1) and (d)(1)(A). For limitation on amount of adjustments reflected in adjusted basis of property disposed of by an organization exempt from income taxes (within the meaning of section 501(b)), see paragraph (a)(8) of § 1.1245-2.

(e) *Exempt income.* The fact that section 1245 provides for recognition of gain as ordinary income does not change into taxable income any income which is exempt under section 115 (relating to income of states, etc.), 892 (relating to income of foreign governments), or 894 (relating to income exempt under treaties).

PAR. 13. There are inserted immediately after § 1.1249-1 the following new sections:

§ 1.1250 Statutory provisions; gain from dispositions of certain depreciable realty.

Sec. 1250. *Gain from dispositions of certain depreciable realty—(a) General rule—*

(1) *Ordinary income.* Except as otherwise provided in this section, if section 1250 property is disposed of after December 31, 1963, the applicable percentage of the lower of—

(A) The additional depreciation (as defined in subsection (b)(1)) in respect of the property, or

(B) The excess of—

(i) The amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value of such property (in the case of any other disposition), over

(ii) The adjusted basis of such property, shall be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231. Such gain shall be recognized notwithstanding any other provision of this subtitle.

(2) *Applicable percentage.* For purposes of paragraph (1), the term "applicable percentage" means 100 percent minus 1 percentage point for each full month the property was held after the date on which the property was held 20 full months.

(b) *Additional depreciation defined.* For purposes of this section—(1) *In general.* The term "additional depreciation" means, in the case of any property, the depreciation adjustments in respect of such property; except that, in the case of property held more than one year, it means such adjustments only to the extent that they exceed the amount of the depreciation adjustments which would have resulted if such adjustments had been determined for each taxable year under the straight line method of adjustment. For purposes of the preceding sentence, if a useful life (or salvage value) was used in determining the amount allowed

as a deduction for any taxable year, such life (or value) shall be used in determining the depreciation adjustments which would have resulted for such year under the straight line method.

(2) *Property held by lessee.* In the case of a lessee, in determining the depreciation adjustments which would have resulted in respect of any building erected (or other improvement made) on the leased property, or in respect of any cost of acquiring the lease, the lease period shall be treated as including all renewal periods. For purposes of the preceding sentence—

(A) The term "renewal period" means any period for which the lease may be renewed, extended, or continued pursuant to an option exercisable by the lessee, but

(B) The inclusion of renewal periods shall not extend the period taken into account by more than $\frac{1}{2}$ of the period on the basis of which the depreciation adjustments were allowed.

(3) *Depreciation adjustments.* The term "depreciation adjustments" means, in respect of any property, all adjustments attributable to periods after December 31, 1963, reflected in the adjusted basis of such property on account of deductions (whether in respect of the same or other property) allowed or allowable to the taxpayer or to any other person for exhaustion, wear and tear, obsolescence, or amortization (other than amortization under sec. 168). For purposes of the preceding sentence, if the taxpayer can establish by adequate records or other sufficient evidence that the amount allowed as a deduction for any period was less than the amount allowable, the amount taken into account for such period shall be the amount allowed.

(c) *Section 1250 property.* For purposes of this section, the term "section 1250 property" means any real property (other than section 1245 property, as defined in section 1245(a)(3)) which is or has been property of a character subject to the allowance for depreciation provided in section 167.

(d) *Exceptions and limitations—(1) Gifts.* Subsection (a) shall not apply to a disposition by gift.

(2) *Transfers at death.* Except as provided in section 691 (relating to income in respect of a decedent), subsection (a) shall not apply to a transfer at death.

(3) *Certain tax-free transactions.* If the basis of property in the hands of a transferee is determined by reference to its basis in the hands of the transferor by reason of the application of section 332, 351, 361, 371(a), 374(a), 721, or 731, then the amount of gain taken into account by the transferor under subsection (a)(1) shall not exceed the amount of gain recognized to the transferor on the transfer of such property (determined without regard to this section). This paragraph shall not apply to a disposition to an organization (other than a cooperative described in section 521) which is exempt from the tax imposed by this chapter.

(4) *Like kind exchanges; involuntary conversions, etc.—(A) Recognition limit.* If property is disposed of and gain (determined without regard to this section) is not recognized in whole or in part under section 1031 or 1033, then the amount of gain taken into account by the transferor under subsection (a)(1) shall not exceed the greater of the following:

(i) The amount of gain recognized on the disposition (determined without regard to this section), increased as provided in subparagraph B, or

(ii) The amount determined under subparagraph C.

(B) *Increase for certain stock.* With respect to any transaction, the increase provided by this subparagraph is the amount equal to the fair market value of any stock

purchased in a corporation which (but for this paragraph) would result in nonrecognition of gain under section 1033(a)(3)(A).

(C) *Adjustment where insufficient section 1250 property is acquired.* With respect to any transaction, the amount determined under this subparagraph shall be the excess of—

(i) The amount of gain which would (but for this paragraph) be taken into account under subsection (a)(1), over

(ii) The fair market value (or cost in the case of a transaction described in section 1033(a)(3)) of the section 1250 property acquired in the transaction.

(D) *Basis of property acquired.* In the case of property purchased by the taxpayer in a transaction described in section 1033(a)(3), in applying the last sentence of section 1033(c), such sentence shall be applied—

(i) First solely to section 1250 properties and to the amount of gain not taken into account under subsection (a)(1) by reason of this paragraph, and

(ii) Then to all purchased properties to which such sentence applies and to the remaining gain not recognized on the transaction as if the cost of the section 1250 properties were the basis of such properties computed under clause (i).

In the case of property acquired in any other transaction to which this paragraph applies, rules consistent with the preceding sentence shall be applied under regulations prescribed by the Secretary or his delegate.

(E) *Additional depreciation with respect to property disposed of.* In the case of any transaction described in section 1031 or 1033, the additional depreciation in respect of the section 1250 property acquired which is attributable to the section 1250 property disposed of shall be an amount equal to the amount of the gain which was not taken into account under subsection (a)(1) by reason of the application of this paragraph.

(5) *Section 1071 and 1081 transactions.* Under regulations prescribed by the Secretary or his delegate, rules consistent with paragraphs (3) and (4) of this subsection and with subsections (e) and (f) shall apply in the case of transactions described in section 1071 (relating to gain from sale or exchange to effectuate policies of FCC) or section 1081 (relating to exchanges in obedience to SEC orders).

(6) *Property distributed by a partnership to a partner—(A) In general.* For purposes of this section, the basis of section 1250 property distributed by a partnership to a partner shall be deemed to be determined by reference to the adjusted basis of such property to the partnership.

(B) *Additional depreciation.* In respect of any property described in subparagraph (A), the additional depreciation attributable to periods before the distribution by the partnership shall be—

(i) The amount of the gain to which subsection (a) would have applied if such property had been sold by the partnership immediately before the distribution at its fair market value at such time and the applicable percentage for the property had been 100 percent, reduced by

(ii) If section 751(b) applied to any part of such gain, the amount of such gain to which section 751(b) would have applied if the applicable percentage for the property had been 100 percent.

(7) *Disposition of principal residence.* Subsection (a) shall not apply to a disposition of—

(A) Property to the extent used by the taxpayer as his principal residence (within the meaning of section 1034, relating to sale or exchange of residence), and

(B) Property in respect of which the taxpayer meets the age and ownership requirements of section 121 (relating to gains from

sale or exchange of residence of individual who has attained the age of 65) but only to the extent that he meets the use requirements of such section in respect of such property.

(e) *Holding period.* For purposes of determining the applicable percentage under this section, the provisions of section 1223 shall not apply, and the holding period of section 1250 property shall be determined under the following rules:

(1) *Beginning of holding period.* The holding period of section 1250 property shall be deemed to begin—

(A) In the case of property acquired by the taxpayer, on the day after the date of acquisition, or

(B) In the case of property constructed, reconstructed, or erected by the taxpayer, on the first day of the month during which the property is placed in service.

(2) *Property with transferred basis.* If the basis of property acquired in a transaction described in paragraph (1), (2), (3), or (5) of subsection (d) is determined by reference to its basis in the hands of the transferor, then the holding period of the property in the hands of the transferee shall include the holding period of the property in the hands of the transferor.

(3) *Principal residence.* If the basis of property acquired in a transaction described in paragraph (7) of subsection (d) is determined by reference to the basis in the hands of the taxpayer of other property, then the holding period of the property acquired shall include the holding period of such other property.

(f) *Special rules for property which is substantially improved—(1) Amount treated as ordinary income.* If, in the case of a disposition of section 1250 property, the property is treated as consisting of more than one element by reason of paragraph (3), then the amount taken into account under subsection (a)(1) in respect of such section 1250 property as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231 shall be the sum of the amounts determined under paragraph (2).

(2) *Ordinary income attributable to an element.* For purposes of paragraph (1), the amount taken into account for any element shall be the amount determined by multiplying—

(A) The amount which bears the same ratio to the lower of the amounts specified in subparagraph (A) or (B) of subsection (a)(1) for the section 1250 property as the additional depreciation for such element bears to the sum of the additional depreciation for all elements, by

(B) The applicable percentage for such element.

For purposes of this paragraph, determinations with respect to any element shall be made as if it were a separate property.

(3) *Property consisting of more than one element.* In applying this subsection in the case of any section 1250 property, there shall be treated as a separate element—

(A) Each separate improvement,

(B) If, before completion of section 1250 property, units thereof (as distinguished from improvements) were placed in service, each such unit of section 1250 property, and

(C) The remaining property which is not taken into account under subparagraphs (A) and (B).

(4) *Property which is substantially improved.* For purposes of this subsection—

(A) *In general.* The term "separate improvement" means each improvement added during the 36-month period ending on the last day of any taxable year to the capital account for the property, but only if the sum of the amounts added to such account during such period exceeds the greatest of—

- (i) 25 percent of the adjusted basis of the property,
- (ii) 10 percent of the adjusted basis of the property, determined without regard to the adjustments provided in paragraphs (2) and (3) of section 1016(a), or
- (iii) \$5,000.

For purposes of clauses (i) and (ii), the adjusted basis of the property shall be determined as of the beginning of the first day of such 36-month period, or of the holding period of the property (within the meaning of subsection (e)), whichever is the later.

(B) *Exception.* Improvements in any taxable year shall be taken into account for purposes of subparagraph (A) only if the sum of the amounts added to the capital account for the property for such taxable year exceeds the greater of—

- (i) \$2,000, or
- (ii) One percent of the adjusted basis referred to in subparagraph (A)(ii), determined, however, as of the beginning of such taxable year.

For purposes of this section, if the amount added to the capital account for any separate improvement does not exceed the greater of clause (i) or (ii), such improvement shall be treated as placed in service on the first day of a calendar month, which is closest to the middle of the taxable year.

(C) *Improvement.* The term "improvement" means, in the case of any section 1250 property, any addition to capital account for such property after the initial acquisition or after completion of the property.

(g) *Adjustments to basis.* The Secretary or his delegate shall prescribe such regulations as he may deem necessary to provide for adjustments to the basis of property to reflect gain recognized under subsection (a).

(h) *Application of section.* This section shall apply notwithstanding any other provisions of this subtitle.

[Sec. 1250 as added by sec. 231(a), Rev. Act 1964 (78 Stat. 100)]

§ 1.1250-1 Gain from dispositions of certain depreciable realty.

(a) *General.*—(1) *Ordinary income.* In general, section 1250(a)(1) provides that, upon a disposition of an item of section 1250 property after December 31, 1963, the applicable percentage of the lower of—

(i) The additional depreciation (as defined in § 1.1250-2) in respect of the property, or

(ii) The excess of the amount realized on a sale, exchange, or involuntary conversion (or the fair market value of the property on any other disposition) over the adjusted basis of the property,

shall be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231 (that is, shall be recognized as ordinary income). The amount of such gain shall be determined separately for each item (see subparagraph (2)(ii) of this paragraph) of section 1250 property. For relation of section 1250 to other provisions, see paragraph (b) of this section.

(2) *Meaning of terms.* (i) For purposes of section 1250, the term "disposition" shall have the same meaning as in paragraph (a)(3) of § 1.1245-1. "Section 1250 property" is, in general, depreciable real property other than section 1245 property. See paragraph (d) of

this section. The term "applicable percentage" means 100 percent minus one percentage point for each full month the property was held after the date on which the property was held 20 full months. See paragraph (c) of this section. If, however, the property is considered to have two or more elements with separate holding periods (for example, because units thereof are placed in service on different dates, or improvements are made to the property), see the special rules of § 1.1250-5.

(ii) For purposes of applying section 1250, the facts and circumstances of each disposition shall be considered in determining what is the appropriate item of section 1250 property. In general, a building is an item of section 1250 property, but in an appropriate case more than one building may be treated as a single item. For manner of determining whether an expenditure shall be treated as an addition to the capital account of an item of section 1250 property or as a separate item of section 1250 property, see paragraph (c)(2)(iii) of § 1.1250-5.

(3) *Sale, exchange, or involuntary conversion.* (i) In the case of a disposition of section 1250 property by a sale, exchange, or involuntary conversion, the gain to which section 1250(a)(1) applies is the applicable percentage for the property multiplied by the lower of (a) the additional depreciation in respect of the property or (b) the excess (referred to as "gain realized") of the amount realized over the adjusted basis of the property.

(ii) The provisions of this subparagraph may be illustrated by the following example:

Example. Section 1250 property, which has an adjusted basis of \$200,000, is sold for \$290,000. At the time of the sale the additional depreciation in respect of the property is \$130,000 and the applicable percentage is 60 percent. Since the gain realized (\$90,000, that is, amount realized, \$290,000, minus adjusted basis, \$200,000) is lower than the additional depreciation (\$130,000), the amount of gain recognized as ordinary income under section 1250(a)(1) is \$54,000 (that is, 60 percent of \$90,000). The remaining \$36,000 (\$90,000 minus \$54,000) of the gain may be treated as gain from the sale or exchange of property described in section 1231.

(4) *Other dispositions.* (i) In the case of a disposition of section 1250 property other than by way of a sale, exchange, or involuntary conversion, the gain to which section 1250(a)(1) applies is the applicable percentage for the property multiplied by the lower of (a) the additional depreciation in respect of the property, or (b) the excess (referred to as "potential gain") of the fair market value of the property on the date of disposition over its adjusted basis. If property is transferred by a corporation to a shareholder for an amount less than its fair market value in a sale or exchange, for purposes of applying section 1250 such transfer shall be treated as a disposition other than by way of a sale, exchange, or involuntary conversion.

(ii) The provisions of this subparagraph may be illustrated by the following example:

Example. Assume the same facts as in the example in subparagraph (3)(ii) of this paragraph except that the property is distributed by a corporation to a stockholder in complete liquidation of the corporation and that at the time of the distribution the fair market value of the property is \$370,000. Since the additional depreciation (\$130,000) is lower than the potential gain of \$170,000 (that is, fair market value, \$370,000, minus adjusted basis, \$200,000), the amount of gain recognized as ordinary income under section 1250(a)(1) is \$78,000 (that is, 60 percent of \$130,000) even though, in the absence of section 1250, section 311(a) would preclude recognition of gain to the corporation.

(5) *Instances of nonapplication.* (i) Section 1250(a)(1) does not apply to losses. Thus, section 1250(a)(1) does not apply if a loss is realized upon a sale, exchange, or involuntary conversion of property, all of which is considered section 1250 property, nor does the section apply to a disposition of such property other than by way of sale, exchange, or involuntary conversion if at the time of the disposition the fair market value of such property is not greater than its adjusted basis.

(ii) In general, in the case of section 1250 property with a holding period under section 1223 of more than 1 year, section 1250(a)(1) does not apply if for periods after December 31, 1963, there are no "depreciation adjustments in excess of straight line" (as computed under paragraph (b) of § 1.1250-2).

(iii) In a case in which section 1250 property (including each element thereof, if any) has a holding period under § 1.1250-4 (or paragraph (a)(2)(ii) of § 1.1250-5) of at least 10 years, section 1250(a)(1) does not apply. If within the 10-year period preceding the date the property is disposed of an element is added to the property by reason, for example, of an addition to capital account, see § 1.1250-5.

(6) *Allocation rule.* In the case of a sale, exchange, or involuntary conversion of section 1250 property and non-section 1250 property in one transaction, the total amount realized upon the disposition shall be allocated between the section 1250 property and the other property in proportion to their respective fair market values. Such allocation shall be made in accordance with the principles set forth in paragraph (a)(5) of § 1.1245-1 (relating to allocation between section 1245 property and non-section 1245 property).

(b) *Relation of section 1250 to other provisions.*—(1) *General.* The provisions of section 1250 apply notwithstanding any other provision of subtitle A of the Code. See section 1250(h). Thus, unless an exception or limitation under section 1250(d) and § 1.1250-3 applies, gain under section 1250(a)(1) is recognized notwithstanding any contrary non-recognition provision or income characterizing provision. For example, since section 1250 overrides section 1231 (relating to property used in the trade or business), the gain recognized under section 1250(a)(1) upon a disposition will be treated as ordinary income and only the remaining gain, if any, from the dis-

position may be considered as gain from the sale or exchange of a capital asset if section 1231 is applicable. See the example in paragraph (a)(3)(ii) of this section.

(2) *Nonrecognition sections overridden.* The nonrecognition provisions of subtitle A of the Code which section 1250 overrides include, but are not limited to, sections 267(d), 311(a), 336, 337, 501(a), and 512(b)(5). See section 1250(d) for the extent to which section 1250(a)(1) overrides sections 332, 351, 361, 371(a), 374(a), 721, 731, 1031, 1033, 1071, and 1081(b)(1) and (d)(1)(A). For amount of additional depreciation in respect of property disposed of by an organization exempt from income taxes (within the meaning of section 501(b)), see paragraph (d)(4)(iii) of § 1.1250-2.

(3) *Exempt income.* The fact that section 1250 provides for recognition of gain as ordinary income does not change into taxable income any income which is exempt under section 115 (relating to income of States, etc.), 892 (relating to income of foreign governments), or 894 (relating to income exempt under treaties).

(4) *Treatment of gain not recognized under section 1250.* Section 1250 does not prevent gain which is not recognized under section 1250 from being considered as gain under another provision of the Code, such as, for example, section 1239 (relating to gain from sale of depreciable property between certain related persons). Thus, for example, if section 1250 property which has an adjusted basis of \$10,000 is sold for \$17,500 in a transaction to which section 1239 applies, and if \$5,000 of the gain would be recognized under section 1250(a)(1), then the remaining \$2,500 of the gain would be treated as ordinary income under section 1239.

(5) *Normal retirement of asset in multiple asset account.* Section 1250(a)(1) does not require recognition of gain upon normal retirements of section 1250 property in a multiple asset account as long as the taxpayer's method of accounting, as described in paragraph (e)(2) of § 1.167(a)-8 (relating to accounting treatment of asset retirements), does not require recognition of such gain.

(6) *Installment method.* Gain from a disposition to which section 1250(a)(1) applies may be reported under the installment method if such method is otherwise available under section 453 of the Code. In such case, the income (other than interest) on each installment payment shall be deemed to consist of gain to which section 1250(a)(1) applies until all such gain has been reported, and the remaining portion (if any) of such income shall be deemed to consist of other gain. For treatment of amounts as interest on certain deferred payments, see section 483.

(c) *Applicable percentage.*—(1) *Definition.* For purposes of this section and §§ 1.1250-2 through 1.1250-5, the term "applicable percentage" means—

(i) In case of property with a holding period of 20 full months or less, 100 percent;

(ii) In case of property with a holding period of more than 20 full months but less than 10 years, 100 percent minus 1 percentage point for each full month the property is held after the date on which the property is held 20 full months; and

(iii) In case of property with a holding period of at least 10 years, zero.

(2) *Holding period.* For purposes of subparagraph (1) of this paragraph, the holding period of property shall be determined under the rules of § 1.1250-4, and not under the rules of section 1223, notwithstanding that the property was acquired on or before December 31, 1963. In the case of a disposition of section 1250 property which consists of two or more elements (within the meaning of paragraph (b) of § 1.1250-5), the holding period for each element shall be determined under the rules of paragraph (a)(2)(ii) of § 1.1250-5.

(3) *Full month.* For purposes of this paragraph, the term "full month" (or "full months") means the period beginning on a date in 1 month and terminating on the date before the corresponding date in the next succeeding month (or in another succeeding month), or, if a particular succeeding month does not have such a corresponding date, terminating on the last day of such particular succeeding month.

(4) *Examples.* The provisions of this paragraph may be illustrated by the following examples:

Example (1). Property is purchased on January 17, 1962. Under paragraph (b)(1) of § 1.1250-4, its holding period begins on January 18, 1962, and thus at any time during the period beginning on October 17, 1963, and ending on November 16, 1963, the property is considered held 21 full months and has an applicable percentage of 99 percent. On and after January 17, 1972, the property has a holding period of at least 120 full months (10 years) and, therefore, the applicable percentage for the property is zero. Accordingly, no gain would be recognized under section 1250(a)(1) upon disposition of the property. If, however, the property consists of 2 or more elements, see the special rules of § 1.1250-5.

Example (2). Property is purchased on January 31, 1968. Under paragraph (b)(1) of § 1.1250-4 its holding period begins on February 1, 1968, and thus at any time during the period beginning on February 29, 1968, and ending on March 30, 1968, the property is considered held 1 full month. At any time during the period beginning on March 31, 1970, and ending on April 29, 1970, the property is considered held 26 full months. At any time during the period beginning on April 30, 1970, and ending on May 30, 1970, the property is considered held 27 full months.

(d) *Section 1250 property.*—(1) *Definition.* The term "section 1250 property" means any real property (other than section 1245 property, as defined in § 1.1245-3) which is or has been property of a character subject to the allowance for depreciation provided in section 167. See section 1250(c).

(2) *Character of property.* For purposes of subparagraph (1) of this paragraph, the term "is or has been property of a character subject to the allowance for depreciation provided in section 167" shall have the same meaning as when used in paragraph (a)(1) and (3) of

§ 1.1245-3. Thus, if a father uses a house in his trade or business during a period after December 31, 1963, and then gives the house to his son as a gift for the son's personal use, the house is section 1250 property in the hands of the son. For exception to the application of section 1250(a)(1) upon disposition of a principal residence, see section 1250(d)(7).

(3) *Real property.* (i) For purposes of subparagraph (1) of this paragraph, the term "real property" means any property which is not personal property within the meaning of paragraph (b) of § 1.1245-3. The term section 1250 property includes three types of depreciable real property. The first type is intangible real property. For purposes of this paragraph, a leasehold of land or of section 1250 property is intangible real property, and accordingly such a leasehold is section 1250 property. However, a fee simple interest in land is not depreciable, and therefore is not section 1250 property. The second type is a building or its structural components within the meaning of paragraph (c) of § 1.1245-3. The third type is all other tangible real property except "property described in section 1245(a)(3)(B)" as defined in paragraph (c)(1) of § 1.1245-3 (relating to property used as an integral part of a specified activity or as a specified facility). An elevator or escalator (within the meaning of section 1245(a)(3)(C)) is not section 1250 property.

(ii) The provisions of this subparagraph may be illustrated by the following example:

Example. A owns and leases to B for a single lump-sum payment of \$100,000 property consisting of land and a fully equipped factory building thereon. If 30 percent of the fair market value of such property is properly allocable to the land, 25 percent to section 1250 property (the building and its structural components), and 45 percent to section 1245 property (the equipment), then 55 percent of B's leasehold is section 1250 property.

(4) *Coordination with definition of section 1245 property.* Property may lose its character as section 1250 property and become section 1245 property. Thus, for example, if section 1250 property of the third type described in subparagraph (3)(i) of this paragraph is converted to use as an integral part of manufacturing, the property would lose its character as section 1250 property and would become section 1245 property. However, once property in the hands of a taxpayer is section 1245 property, it can never become section 1250 property in the hands of such taxpayer. See also paragraph (a)(4) and (5) of § 1.1245-2.

(e) *Treatment of partnerships and partners.* If a partnership disposes of section 1250 property, the amount of gain recognized under section 1250(a)(1) by the partnership and by a partner shall be determined in a manner consistent with the principles provided in paragraph (e) of § 1.1245-1. Thus, for example, a partner's distributive share of gain recognized by the partnership under section 1250(a)(1) shall be determined in the same manner as his distributive share of gain

recognized by the partnership under section 1245(a)(1) is determined, and, if required, additional depreciation in respect of section 1250 property shall be allocated to the partner in the same manner as the adjustments reflected in the adjusted basis of section 1245 property are allocated to the partner. For a further example, if on the date a partner acquires his partnership interest by way of a sale or exchange the partnership owns section 1250 property and an election under section 754 (relating to optional adjustment to basis of partnership property) is in effect with respect to the partnership, then such partner's additional depreciation in respect of such property on such date is deemed to be zero. For limitation on the amount of gain recognized under section 1250(a)(1) in respect of a partnership and for the amount of additional depreciation in respect of partnership property after certain transactions, see paragraph (f) of § 1.1250-3. For treatment of section 1250 property as an unrealized receivable, see section 751(c).

§ 1.1250-2 Additional depreciation defined.

(a) *In general*—(1) *Definition*. Except as otherwise provided in paragraph (c) of this section, the term "additional depreciation" means—

(i) In the case of property which at the time of disposition has a holding period under section 1223 of not more than 1 year, the "depreciation adjustments" (as defined in paragraph (d) of this section) in respect of such property for periods after December 31, 1963, and

(ii) In the case of property which at the time of disposition has a holding period under section 1223 of more than 1 year, the depreciation adjustments in excess of straight line for periods after December 31, 1963, computed under paragraph (b) of this section.

(2) *Allocation to periods after December 31, 1963*. With respect to a taxable year beginning in 1963 and ending in 1964, the amount of depreciation adjustments or of depreciation adjustments in excess of straight line (as the case may be) shall be ascertained by applying the principles of paragraph (c) (3) of § 1.167 (a)-8 (relating to determination of adjusted basis of retired asset), and the amount determined in such manner shall be allocated on a daily basis in order to determine the portion thereof which is attributable to a period after December 31, 1963.

(b) *Computation of depreciation adjustments in excess of straight line*—

(1) *General rule*. Depreciation adjustments in excess of straight line shall be, in the case of any property, the excess of (i) the sum of the "depreciation adjustments" (as defined in paragraph (d) of this section) in respect of the property attributable to periods after December 31, 1963, over (ii) the sum such adjustments would have been for such periods if such adjustments had been determined for the entire period the property was held under the straight line method of depreciation (or, if applicable, under the lease-renewal-period

provision in paragraph (c) of this section). Depreciation in excess of straight line may arise, for example, if the declining balance method, the sum of the years-digits method, or the units of production method is used, or for another example, if the cost of a leasehold improvement or of a leasehold is depreciated over a period which does not take into account certain renewal periods referred to in paragraph (c) of this section. For computations of depreciation adjustments in excess of straight line (or a deficit therein) both on an annual basis and on the basis of the entire period the property was held, see subparagraph (4) of this paragraph.

(2) *Useful life and salvage value*. For purposes of computing under subparagraph (1) (ii) of this paragraph the sum the depreciation adjustments would have been under the straight line method, if a useful life (or salvage value) was used in determining the amount allowed as a depreciation adjustment for any taxable year, such life (or value) shall be used in determining the amount such depreciation adjustment would have been for such taxable year under the straight line method. If, however, for any taxable year a method of depreciation was used as to which a useful life was not taken into account such as, for example, the units of production method, or as to which salvage value was not taken into account in determining the annual allowances, such as, for example, the declining balance method or the amortization of a leasehold improvement over the term of a lease, then, for the purpose of determining the amount such depreciation adjustment would have been under the straight line method for such taxable year—

(i) There shall be used the useful life (or salvage value) which would have been proper if depreciation had actually been determined under the straight line method throughout the period the property was held, and

(ii) Such useful life (or such salvage value) shall be determined by taking into account for each taxable year the same facts and circumstances as would have been taken into account if the taxpayer had used such method throughout the period the property was held.

(3) *Property held before January 1, 1964*. In the case of property held before January 1, 1964—

(i) For purposes of computing under subparagraph (1) (ii) of this paragraph the sum the depreciation adjustments would have been under the straight line method, the adjusted basis of the property on such date shall be the amount such adjusted basis would have been if depreciation deductions allowed or allowable before such date had been determined under the straight line method computed in accordance with subparagraph (2) of this paragraph, and

(ii) The depreciation adjustments in excess of straight line in respect of the property computed under this paragraph, but without regard to this subdivision, shall be reduced by the amount of depreciation adjustments less than straight line for periods before January 1, 1964,

that is, by the excess (if any) of the sum the depreciation adjustments would have been for periods before January 1, 1964, under the straight line method, over the sum of the depreciation adjustments attributable to periods before such date.

(4) *Examples*. The provisions of this paragraph may be illustrated by the following examples:

Example (1). A calendar year taxpayer sells section 1250 property on February 1, 1968, which he purchased for \$10,000 on January 1, 1963. For the period of 1963 through 1967 he computed depreciation deductions in respect of the property under the declining balance method using a rate of 200 percent of the straight line rate and a useful life of 10 years. Under such method salvage value is not taken into account in computing annual allowances. For purposes of applying subparagraph (2) of this paragraph, if the taxpayer had used the straight line method for such period, he would have used a salvage value of \$1,000, and the depreciation under the straight line method would have been \$900 each year, that is, one-tenth of \$10,000 minus \$1,000. As of January 1, 1968, the additional depreciation for the property is \$1,123, as computed in the table below:

Year	Actual depreciation	Straight line	Additional depreciation (deficit)
1963	\$2,000	\$900	
1964	1,600	900	\$700
1965	1,280	900	380
1966	1,024	900	124
1967	819	900	(81)
1968	0	0	0
Sum for periods after Dec. 31, 1963	4,723	3,600	1,123

Example (2). Assume the same facts as in example (1) except that the taxpayer sells the section 1250 property on February 15, 1970. Assume further that as of January 1, 1968, the taxpayer elects under section 167 (e) (1) to change to the straight line method. On that date the adjusted basis of the property is \$3,277 (\$10,000 minus \$6,723). He redetermines the remaining useful life of the property to be 8 years and its salvage value to be \$77, and thus takes depreciation deductions for 1968 and 1969 of \$400 (the amount allowable) for each such year, that is, one-eighth of \$3,200 (that is, \$3,277 minus \$77). For purposes of applying subparagraph (2) of this paragraph, if he had used the straight line method throughout the period he held the property, the adjusted basis of the property on January 1, 1968, would have been \$5,500 (\$10,000 minus \$4,500), and the depreciation which would have resulted under such method for 1968 and 1969 would have been \$678 for each such year, that is, one-eighth of \$5,423 (\$5,500 minus \$77). As of February 15, 1970, the additional depreciation for the property is \$567, as computed in the table below:

Years	Depreciation	Straight line	Additional depreciation (deficit)
1964 through 1967	\$4,723	\$3,600	\$1,123
1968	400	678	(278)
1969	400	678	(278)
1970	0	0	0
Sum for periods after Dec. 31, 1963	5,523	4,956	567

(c) *Property held by lessee*—(1) *Amount depreciation would have been.* For purposes of paragraph (b) (1) (ii) of this section, in case of a leasehold which is section 1250 property, in determining the amount the depreciation adjustments would have been under the straight line method in respect of any building or other improvement (which is section 1250 property) erected or made on the leased property, or in respect of any cost of acquiring the lease, the lease period shall be treated as including all renewal periods. See section 1250(b) (2). For determination of the extent to which a leasehold is section 1250 property, see paragraph (d) (3) of § 1.1250-1.

(2) *Renewal period.* (i) For purposes of this paragraph, the term "renewal period" means any period for which the lease may be renewed, extended, or continued pursuant to an option or options exercisable by the lessee (whether or not specifically provided for in the lease) except that the inclusion of one or more renewal periods shall not extend the period taken into account by more than two-thirds of the period on the basis of which the depreciation adjustments were allowed.

(ii) In respect of the cost of any building erected (or other improvement made) on the leased property by the lessee, or in respect of the portion of the cost of acquiring a leasehold which is attributable to an existing building (or other improvement) on the leasehold at the time the lessee acquires the leasehold, the inclusion of one or more renewal periods shall not extend the period taken into account to a period which exceeds the useful life remaining, at the time the leasehold is disposed of, of such building (or such other improvement). Determinations under this subdivision shall be made without regard to the proper period under section 167 or 178 for depreciating or amortizing a leasehold acquisition cost or improvement.

(iii) The provisions of this subparagraph may be illustrated by the following example:

Example. Assume that a leasehold improvement with a useful life of 30 years is properly amortized on the basis of a 10-year initial lease term. The lease is renewable for an additional 9 years. The period taken into account is 16½ years, that is, 10 years plus two-thirds of 10 years. If, however, the leasehold improvement were disposed of at the end of 12 years, and if its remaining useful life were only 3 years, then the period taken into account would be 15 years.

(d) *Depreciation adjustments*—(1) *General.* For purposes of this section, the term "depreciation adjustments" means, in respect of any property, all adjustments reflected in the adjusted basis of such property on account of deductions described in subparagraph (2) of this paragraph allowed or allowable (whether in respect of the same or other property) to the taxpayer or to any other person. For cases where the taxpayer can establish that the amount allowed for any period was less than the amount allowable, see subparagraph (4) of this paragraph. For determination of adjusted basis of property in a multiple asset account, see para-

graph (c) (3) of § 1.167(a)-8. The term "depreciation adjustments" as used in this section does not have the same meaning as the term "adjustments reflected in the adjusted basis" as defined in paragraph (a) (2) of § 1.1245-2.

(2) *Deductions.* The deductions described in this subparagraph are allowances (and amounts treated as allowances) for depreciation or amortization (other than amortization of emergency facilities under sec. 168). Thus, for example, such deductions include a reasonable allowance for exhaustion, wear, and tear (including a reasonable allowance for obsolescence) under section 167, the periodic deductions referred to in § 1.162-11 in respect of a specified sum paid for the acquisition of a leasehold and in respect of the cost to a lessee of improvements on property of which he is the lessee. However, such deductions do not include deductions for the periodic payment of rent.

(3) *Depreciation of other taxpayers or in respect of other property.* (i) The depreciation adjustments (reflected in the adjusted basis) referred to in subparagraph (1) of this paragraph (a) are not limited to adjustments with respect to the property disposed of, nor to those allowed or allowable to the taxpayer disposing of such property, and (b) except as provided in subparagraph (4) of this paragraph, are taken into account, whether allowed or allowable in respect of the same or other property and whether to the taxpayer or to any other person. For manner of determining the amount of additional depreciation after certain dispositions, see paragraph (e) of this section.

(ii) The provisions of this subparagraph may be illustrated by the following example:

Example. On January 1, 1966, a calendar year taxpayer purchases for \$100,000 a building for use in his trade or business. He takes depreciation deductions of \$20,000 (the amount allowable), of which \$3,000 is additional depreciation, and transfers the building to his son as a gift on January 1, 1968. Since the exception for gifts in section 1250 (d) (1) applies, the taxpayer does not recognize gain under section 1250(a) (1). In the son's adjusted basis of \$80,000 for the building there is reflected \$3,000 of additional depreciation. On January 1, 1969, after taking a depreciation deduction of \$10,000 (the amount allowable), of which \$1,000 is additional depreciation, the son sells the building. At the time of the sale the additional depreciation is \$4,000 (\$3,000 allowed the father plus \$1,000 allowed the son).

(4) *Depreciation allowed or allowable.* (i) For purposes of subparagraph (1) of this paragraph, generally all deductions (described in subparagraph (2) of this paragraph) allowed or allowable shall be taken into account. See section 1016 (a) (2) and the regulations thereunder for the meaning of "allowed" and "allowable." However, if a taxpayer can establish by adequate records or other sufficient evidence that the amount allowed for any period was less than the amount allowable for such period, the amount to be taken into account for such period shall be the amount allowed. The preceding sentence shall not apply for purposes of computing under paragraph

(b) (1) (ii) of this section the amount such deductions would have been under the straight line method.

(ii) The provisions of subdivision (i) of this subparagraph may be illustrated by the following example:

Example. In the year 1969 it becomes necessary to determine the additional depreciation in respect of section 1250 property, the adjusted basis of which reflects a depreciation adjustment of \$1,000 with respect to depreciation deductions allowable for the calendar year 1965 under the sum of the years-digits method. Under paragraph (b) of this section, the depreciation which would have resulted under the straight line method for 1965 is \$800. If the taxpayer can establish by adequate records or other sufficient evidence that he did not take, and was not allowed, any deduction for depreciation in respect of the property in 1965, then, for purposes of computing the depreciation adjustments in excess of straight line in respect of the property, the amount to be taken into account for 1965 as allowed or allowable is zero, and the amount to be taken into account in computing deductions which would have resulted under the straight line method in 1965 is \$800. Thus, in effect, there is a deficit in additional depreciation for 1965 of \$800.

(5) *Retired or demolished property.* Depreciation adjustments referred to in subparagraph (1) of this paragraph generally do not include adjustments in respect of retired or demolished portions of an item of section 1250 property. If a retired or demolished portion is replaced in a disposition described in section 1250 (d) (4) (A) (relating to like kind exchanges and involuntary conversions), see paragraph (d) (7) of § 1.1250-3.

(6) *Exempt organization.* In respect of property disposed of by an organization which is or was exempt from income taxes (within the meaning of section 501(b)), the depreciation adjustments (reflected in the adjusted basis) referred to in subparagraph (1) of this paragraph shall include only adjustments allowed or allowable (a) in computing unrelated business taxable income (as defined in section 513(a)), or (b) in computing taxable income of a person for a period such person was not exempt or, by reason of the application of section 502, 503, or 504, was denied its exemption.

(c) *Additional depreciation immediately after certain acquisitions*—(1) *Zero.* If on the date a person acquires property his basis for the property is determined solely (i) by reference to its cost (within the meaning of sec. 1012), (ii) by reason of the application of section 301(d) (relating to basis of property received in corporate distribution) or section 334(a) (relating to basis of property received in a liquidation in which gain or loss is recognized), or (iii) under the rules of section 334 (b) (2) or (c) (relating to basis of property received in certain corporate liquidations), then on such date the additional depreciation for the property is zero.

(2) *Transactions referred to in section 1250(d).* In the case of property acquired in a disposition described in section 1250(d) (relating to exceptions and limitations to application of section 1250), additional depreciation shall be computed in accordance with the rules prescribed in § 1.1250-3.

(f) *Records to be kept and information to be filed*—(1) *Records to be kept*. In any case in which it is necessary to determine the additional depreciation of an item of section 1250 property, the taxpayer shall have available permanent records of all the facts necessary to determine with reasonable accuracy the amount of such additional depreciation, including the following—

(i) The date, and the manner in which, the property was acquired,

(ii) The taxpayer's basis on the date the property was acquired and the manner in which the basis was determined,

(iii) The amount and date of all adjustments to the basis of the property allowed or allowable to the taxpayer for depreciation adjustments referred to in paragraph (d) (1) of this section and the amount and date of any other adjustments by the taxpayer to the basis of the property, and

(iv) In the case of section 1250 property which has an adjusted basis reflecting depreciation adjustments referred to in paragraph (d) (1) of this section taken by the taxpayer with respect to other property, or by another taxpayer with respect to the same or other property, the information described in subdivisions (i), (ii), and (iii) of this subparagraph with respect to such other property or such other taxpayer.

(2) *Information to be filed*. If a taxpayer acquires in a transaction (other than a like kind exchange or involuntary conversion described in section 1250(d) (4)) section 1250 property which has a basis reflecting depreciation adjustments referred to in paragraph (d) (1) of this section allowed or allowable to another taxpayer, then the taxpayer shall file with its income tax return or information return for the taxable year in which the property is acquired a statement showing all information described in subparagraph (1) of this paragraph. See section 6012 (relating to persons required to make returns of income) and part III of subchapter A of chapter 61 of the Code (relating to information returns).

§ 1.1250-3 Exceptions and limitations.
(a) *Exception for gifts*—(1) *General rule*. Section 1250(d) (1) provides that no gain shall be recognized under section 1250(a) (1) upon a disposition by gift. For purposes of this paragraph, the term "gift" shall have the same meaning as in paragraph (a) of § 1.1245-4. For reduction in amount of charitable contribution in case of a gift of section 1250 property, see section 170(e) and paragraph (c) (3) of § 1.170-1.

(2) *Disposition in part a sale or exchange and in part a gift*. Where a disposition of property is in part a sale or exchange and in part a gift, the gain to which section 1250(a) (1) applies, as computed under paragraph (a) (3) of § 1.1250-1, is the applicable percentage of the lower of (i) the additional depreciation (as defined in § 1.1250-2 in respect of the property), or (ii) the gain realized.

(3) *Treatment of property in hands of transferee*. If property is disposed of in a transaction which is a gift—

(i) The additional depreciation for the property in the hands of the transferee immediately after the disposition shall be an amount equal to (a) the amount of the additional depreciation for the property in the hands of the transferor immediately before the disposition, minus (b) the amount of any gain (in case the disposition is in part a sale or exchange and in part a gift) taken into account under section 1250(a) (1) by the transferor upon the disposition.

(ii) For purposes of computing the applicable percentage, the holding period under section 1250(e) (2) of property received as a gift in the hands of the transferee includes the transferor's holding period.

(iii) In case of a disposition which is in part a sale or exchange and in part a gift, if the adjusted basis of the property in the hands of the transferee exceeds its adjusted basis immediately before the transfer, the excess is an addition to capital account under paragraph (c) (2) (ii) of § 1.1250-5 (relating to property with 2 or more elements), and

(iv) If the property disposed of consists of two or more elements within the meaning of paragraph (b) of § 1.1250-5, see paragraph (d) (1) of § 1.1250-5 for the amount of additional depreciation and holding period for each element in the hands of the transferee.

(4) *Examples*. The provisions of this paragraph may be illustrated by the following examples:

Example (1). (1) Smith transfers section 1250 property to his son for \$45,000. In the hands of Smith the property had an adjusted basis of \$40,000 and a fair market value of \$70,000. Thus, the gain realized is \$5,000 (amount realized, \$45,000, minus adjusted basis, \$40,000), and Smith has made a gift of \$25,000 (fair market value, \$70,000, minus amount realized, \$45,000).

(i) Smith's holding period for the property is 80 full months and, thus, the applicable percentage is 40 percent. The additional depreciation for the property is \$10,000. Since the gain realized (\$5,000) is lower than the additional depreciation (\$10,000), Smith recognized as ordinary income under section 1250(a) (1) gain of \$2,000 (that is, applicable percentage, 40 percent, multiplied by gain realized, \$5,000) and the \$3,000 remaining portion of the gain realized may be treated as gain from the sale of property described in section 1231.

(ii) On the date the son receives the property, the additional depreciation for the property in his hands is \$8,000, that is, the additional depreciation for the property in the hands of the father immediately before the transfer (\$10,000), minus the gain recognized under section 1250(a) (1) upon the transfer (\$2,000); for purposes of computing applicable percentage his holding period is his father's holding period of 80 full months; and under § 1.1015-4 his unadjusted basis for the property is \$45,000, that is, the amount he paid (\$45,000) plus the excess (zero) of his father's adjusted basis over such amount.

(iv) The son sells the property for \$80,000 10 full months after he received it from his father. Thus, his holding period is 90 full months (his father's holding period of 80 full months plus the 10 full months the son actually owned the property) and the applicable percentage is 30 percent. As-

sume that no depreciation was allowed or allowable to the son. Thus, the son's adjusted basis and additional depreciation for the property on the date of the sale is the same as on the date he received it. Accordingly, the gain realized is \$35,000 (selling price of \$80,000, minus adjusted basis of \$45,000). Since the additional depreciation (\$8,000) is lower than the gain realized (\$35,000), the son recognizes as ordinary income under section 1250(a) (1) gain of \$2,400, that is, applicable percentage (30 percent) multiplied by additional depreciation (\$8,000).

Example (2). Assume the same facts as in example (1), except that the son sells the property 25 full months after he received it from his father. Thus, his holding period is 105 full months (his father's holding period of 80 full months plus the 25 full months the son actually owned the property) and the applicable percentage is 15 percent. Assume further that on the date of the sale the adjusted basis of the property is \$39,000, and that for the period the son actually owned the property there is a deficit in additional depreciation of \$5,000. Accordingly, the gain realized is \$41,000 (selling price of \$80,000, minus adjusted basis of \$39,000), and the additional depreciation for the property is \$3,000 (that is, the additional depreciation for the property in the hands of the son on the date he received it, as determined in example (1), \$8,000, minus the amount of the deficit in additional depreciation for the period the son actually owned the property, \$5,000). Since the additional depreciation (\$3,000) is lower than the gain realized (\$41,000), the son recognizes as ordinary income under section 1250(a) (1) gain of \$450, that is, applicable percentage (15 percent), multiplied by additional depreciation (\$3,000).

(b) *Exception for transfers at death*—(1) *General rule*. Section 1250(d) (2) provides that, except as provided in section 691 (relating to income in respect of a decedent), no gain shall be recognized under section 1250(a) (1) upon a transfer at death. For purposes of this paragraph, the term "transfer at death" shall have the same meaning as in paragraph (b) of § 1.1245-4.

(2) *Treatment of transferee*. (i) If as of the date a person acquires property from a decedent such person's basis is determined, by reason of the application of section 1014(a), solely by reference to the fair market value of the property on the date of the decedent's death or on the applicable date provided in section 2032 (relating to alternate valuation date), then (a) on such date the additional depreciation for the property is zero, and (b) for purposes of computing applicable percentage the holding period of the property under section 1250(e) (1) (A) is deemed to begin on the day after such date.

(ii) If property is acquired in a transfer at death to which section 1250(d) (2) applies, the amount of the additional depreciation for the property in the hands of the transferee immediately after the transfer shall be the amount (if any) of the additional depreciation in respect of the property allowed the transferee before the decedent's death, but only to the extent that the basis of the property (determined under section 1014(a)) is required to be reduced under the second sentence of section 1014(b) (9) (relating to adjustments to basis where property is acquired from a decedent prior to his

death) by depreciation adjustments referred to in paragraph (d)(1) of § 1.1250-2 which give rise to such additional depreciation. For treatment of such property as having a special element with additional depreciation so computed, see paragraph (b)(5)(i) of § 1.1250-5 (relating to property with two or more elements). For purposes of determining applicable percentage, such special element shall have a holding period which includes the transferee's holding period for such property for the period before the decedent's death.

(3) *Examples.* The provisions of this paragraph may be illustrated by the following examples:

Example (1). On March 6, 1966, Smith dies owning an item of section 1250 property. On March 7, 1968, the executor distributes the property to Smith's son pursuant to a specific bequest of the property in Smith's will. Under section 1014(a)(2) and paragraph (a)(2) of § 1.1014-4, the unadjusted basis of the property in the hands of the son is its fair market value on March 6, 1966 (the date Smith died), and the son is considered to have acquired the property on such date. Under section 1250(e)(1)(A), the son's holding period for the property begins on March 7, 1966 (the day after the day he is considered to have acquired the property). Thus, on March 7, 1968 (the date the property was distributed to the son), the holding period for the property is 24 full months, and the applicable percentage is 96 percent. On such date, the additional depreciation for the property includes any additional depreciation in respect of the property for the period the property was possessed by the estate.

Example (2). H purchases section 1250 property in 1965 which he immediately conveys to himself and W, his wife, as tenants by the entirety. Under local law each spouse is entitled to one-half the income from the property. H and W file joint income tax returns for calendar years 1965, 1966, and 1967. Over the 3 years, depreciation allowed in respect of the property was \$4,000 (the amount allowable), of which \$500 is additional depreciation. One-half of these amounts are allocable to W. Thus, depreciation deductions of \$2,000, of which \$250 is additional depreciation, are allowable to W. On January 1, 1968, H dies and the entire value of the property at the date of death is included in H's gross estate. Since W's basis for the property (determined under section 1014(a)) is reduced (under the second sentence of section 1014(b)(9)) by the \$2,000 depreciation deductions allowed W before H's death of which \$250 is additional depreciation, the additional depreciation for the property in the hands of W immediately after H's death is \$250.

(c) *Limitation for certain tax-free transactions.*—(1) *General.* Section 1250(d)(3) provides that upon a transfer of property described in subparagraph (2) of this paragraph, the amount of gain taken into account by the transferor under section 1250(a)(1) shall not exceed the amount of gain recognized to the transferor on the transfer (determined without regard to section 1250). For purposes of this subparagraph, in case of a transfer of both section 1250 property and nonsection 1250 property in one transaction, the amount realized from the disposition of the section 1250 property shall be deemed to consist of that portion of the fair market value of each property acquired which bears the

same ratio to the fair market value of such acquired property as the amount realized from the disposition of the section 1250 property bears to the total amount realized. The preceding sentence shall be applied solely for purposes of computing the portion of the total gain (determined without regard to section 1250) which shall be recognized as ordinary income under section 1250(a)(1). Section 1250(d)(3) does not apply to a disposition of property to an organization (other than a cooperative described in section 521) which is exempt from the tax imposed by chapter 1 of the Code.

(2) *Transfers covered.* The transfers described in this subparagraph are transfers of property in which the basis of the property in the hands of the transferee is determined by reference to its basis in the hands of the transferor by reason of the application of any of the following provisions:

(i) Section 332 (relating to distributions in complete liquidation of an 80 percent or more controlled subsidiary corporation). For application of section 1250(d)(3) to such a complete liquidation, the principles of paragraph (c)(3) of § 1.1245-4 shall apply.

(ii) Section 351 (relating to transfer to a corporation controlled by transferor).

(iii) Section 361 (relating to exchanges pursuant to certain corporate reorganizations).

(iv) Section 371(a) (relating to exchanges pursuant to certain receivership and bankruptcy proceedings).

(v) Section 374(a) (relating to exchanges pursuant to certain railroad reorganizations).

(vi) Section 721 (relating to transfers to a partnership in exchange for a partnership interest).

(vii) Section 731 (relating to distributions by a partnership to a partner). For special carryover basis rule, see section 1250(d)(6)(A) and paragraph (f)(1) of this section.

(3) *Treatment of property in hands of transferee.* In the case of a transfer described in subparagraph (2) (other than subdivision (vii) thereof) of this paragraph—

(i) The additional depreciation for the property in the hands of the transferee immediately after the disposition shall be an amount equal to (a) the amount of the additional depreciation for the property in the hands of the transferor immediately before the disposition, minus (b) the amount of any gain taken into account under section 1250(a)(1) by the transferor upon the disposition.

(ii) For purposes of computing applicable percentage, the holding period under section 1250(e)(2) of the property in the hands of the transferee includes the transferor's holding period.

(iii) If the adjusted basis of the property in the hands of the transferee exceeds its adjusted basis immediately before the transfer, the excess is an addition to capital account under paragraph (c)(2)(ii) of § 1.1250-5 (relating to property with 2 or more elements), and

(iv) If the property disposed of consists of two or more elements within the meaning of paragraph (b) of § 1.1250-5, see paragraph (d)(1) of § 1.1250-5 for the amount of additional depreciation and the holding period for each element in the hands of the transferee.

(4) *Examples.* The provisions of this paragraph may be illustrated by the following examples:

Example (1). (i) Green transfers section 1250 property to a corporation, which is not exempt from taxation, in exchange for cash of \$11,000, and stock in the corporation worth \$89,000, in a transaction qualifying under section 351. Thus, the amount realized is \$100,000 (\$11,000 plus \$89,000). The property has an applicable percentage of 60 percent, an adjusted basis of \$40,000, and additional depreciation of \$20,000. The gain realized is \$60,000, that is, amount realized (\$100,000) minus adjusted basis (\$40,000). Since the additional depreciation (\$20,000) is lower than the gain realized (\$60,000), the amount of gain which would be treated as ordinary income under section 1250(a)(1) would be \$12,000 (60 percent of \$20,000) if the limitation provided in section 1250(d)(3) did not apply. Since under section 351(b) gain in the amount of \$11,000 would be recognized to the transferor without regard to section 1250, the limitation provided in section 1250(d)(3) limits the gain taken into account by the transferor under section 1250(a)(1) to \$11,000.

(ii) The amount of additional depreciation for the property in the hands of the transferee immediately after the transfer is \$9,000, that is, the amount of additional depreciation before the transfer (\$20,000) minus the gain recognized under section 1250(a)(1) upon the transfer (\$11,000). (If the property is subsequently disposed of, and for the period after the initial transfer there is additional depreciation in respect of the property, then at the time of the subsequent disposition the additional depreciation will exceed \$9,000. If, however, for the period after the initial transfer there was a deficit in additional depreciation, then at the time of the subsequent disposition the additional depreciation would be less than \$9,000.)

Example (2). (i) Assume the same facts as in example (1) except that the additional depreciation is \$10,000. Since additional depreciation (\$10,000) is lower than the gain realized (\$60,000), the amount of gain which would be treated as ordinary income under section 1250(a)(1) would be \$6,000 (60 percent of \$10,000) if the limitation provided in section 1250(d)(3) did not apply. Since under section 351(b) gain in the amount of \$11,000 would be recognized to the transferor without regard to section 1250, the limitation under section 1250(d)(3) does not prevent treatment of the entire \$6,000 as ordinary income under section 1250(a)(1). The \$5,000 remaining portion of the \$11,000 gain realized may be treated as gain from the sale of property described in section 1231.

(ii) Immediately after the transfer, the amount of additional depreciation is \$4,000, that is, the amount of additional depreciation before the transfer (\$10,000) minus the gain recognized under section 1250(a)(1) upon the transfer (\$6,000).

(d) *Limitation for like kind exchanges and involuntary conversions.*—(1) *Limitation on gain.* (i) Under section 1250(d)(4)(A), if property is disposed of and gain (determined without regard to section 1250) is not recognized in whole or in part under section 1031 (relating to like kind exchanges) or section 1033 (relating to involuntary conversions),

then the amount of gain taken into account by the transferor under section 1250(a)(1) shall not exceed the greater of the two limitations set forth in subdivisions (ii) and (iii) of this subparagraph. Immediately after the transfer the basis of the acquired property shall be determined under subparagraph (2), (3), or (4) (whichever is applicable) of this paragraph, and its additional depreciation shall be computed under subparagraph (5) of this paragraph. The holding period of the acquired property for purposes of computing applicable percentage, which is determined under section 1250(e)(1), does not include the holding period of the property disposed of. In case of a disposition of section 1250 property and other property in one transaction, see subparagraph (6) of this paragraph. In case of a disposition described in section 1250(d)(4)(A) of a portion of this item of property, see subparagraph (7) of this paragraph.

(ii) For purposes of this subparagraph, the first limitation is the sum of—

(a) The amount of gain recognized on the disposition under section 1031 or 1033 (determined without regard to section 1250), plus

(b) An amount equal to the cost of any stock purchased in a corporation which (without regard to section 1250) would result in nonrecognition of gain under section 1033(a)(3)(A).

(iii) For purposes of this subparagraph, the second limitation is the excess (if any) of—

(a) The amount of gain which would (without regard to section 1250(d)(4)) be taken into account under section 1250(a)(1), over

(b) The fair market value (or cost in the case of a transaction described in section 1033(a)(3)) of the section 1250 property acquired in the transaction.

(iv) The provisions of this subparagraph may be illustrated by the following example:

Example. A taxpayer receives \$96,000 of insurance proceeds upon the destruction of section 1250 property by fire. If section 1250(d)(4)(A) did not apply to the disposition, \$16,000 of gain would be recognized under section 1250(a)(1). In acquisitions qualifying under section 1033(a)(3)(A), he uses \$90,000 of the proceeds to purchase property similar or related in service or use to the property destroyed, of which \$42,000 is for one item of section 1250 property and \$48,000 is for one piece of land, and \$5,000 of the proceeds to purchase stock in the acquisition of control of a corporation owning property similar or related in service or use to the property destroyed. The taxpayer properly elects under section 1033(a)(3)(A) and the regulations thereunder to limit recognition of gain (determined without regard to section 1250) to \$1,000, that is, the excess of the amount realized from the conversion (\$96,000) over the cost of the property acquired in acquisitions qualifying under section 1033(a)(3)(A) (\$95,000, that is, \$90,000 plus \$5,000). The amount of gain recognized under section 1250(a)(1) is \$6,000, determined in the following manner:

The first limitation:

(a) Amount of gain recognized under section 1033(a)(3), determined without regard to section 1250(a)(1) ----- \$1,000

(b) Fair market value of stock in a corporation which qualifies under section 1033(a)(3)(A) ----- 5,000

(c) Sum of (a) plus (b) ----- \$6,000

The second limitation:

(d) Amount of gain which would be recognized under section 1250(a)(1) if section 1250(d)(4) did not apply ----- \$16,000

(e) Cost of section 1250 property acquired in transaction ----- 42,000

(f) Excess of (d) over (e) ----- 0

Since the first limitation (\$6,000) exceeds the second limitation (zero), the amount of gain recognized under section 1250(a)(1) is \$6,000. The balance (\$10,000) of the gain realized (\$16,000) is not recognized.

(2) **Basis of property purchased upon involuntary conversion into money.** (i) If section 1250 property is purchased in a compulsory or involuntary conversion to which section 1033(a)(3) applies, and if by reason of the application of section 1250(d)(4)(A) all or part of the gain computed under section 1250(a)(1) is not taken into account, then the basis of the section 1250 property and other purchased property shall be determined under the rules prescribed in this subparagraph. See section 1250(d)(4)(D).

(ii) The total basis of all purchased property, the acquisition of which results in the nonrecognition of any part of the gain realized upon the transaction, shall be (a) its cost, reduced by (b) the portion of the total gain realized which was not recognized. Since under section 1250(d)(4)(A) the purchase of stock in a corporation does not result in such nonrecognition, the basis of purchased stock is its cost.

(iii) If purchased property consists of both section 1250 property and other property, the total basis computed under subdivision (ii) of this subparagraph shall be allocated between the section 1250 property (treated as a class) and the other property (treated as a class) in proportion to their respective costs, except that for purposes of this subdivision (but not subdivision (iv) of this subparagraph) the cost of the section 1250 property shall be deemed to be the excess of (a) its actual cost, over (b) the gain not taken into account under section 1250(a)(1) by reason of the application of section 1250(d)(4)(A).

(iv) If the property acquired consists of more than one item of section 1250 property (or of more than one item of other property), the total basis of the section 1250 property (or of the other property), as computed under subdivisions (ii) and (iii) of this subparagraph, shall be allocated to each item of section 1250 property (or other property) in proportion to their respective actual costs.

(v) The provisions of this subparagraph may be illustrated by the following examples:

Example (1). Assume the same facts as in the example in subparagraph (1)(iv) of this paragraph. Assume further that the portion of the gain realized which was not recognized under section 1033(a)(3) or 1250(a)(1) upon the transaction is \$60,000, of which the gain computed under section 1250(a)(1) which is not taken into account by reason

of the application of section 1250(d)(4)(A) is \$10,000, that is, the excess of the gain which would have been recognized under section 1250(a)(1) if section 1250(d)(4)(A) did not apply (\$16,000) over the gain recognized under section 1250(a)(1) (\$6,000). In such example \$95,000 of proceeds were used to purchase property in acquisitions qualifying under section 1033(a)(3)(A) of which \$42,000 was for section 1250 property, \$48,000 for land, and \$5,000 for stock in a corporation. The basis of each acquired property is determined in the following manner:

(a) Under subdivision (ii) of this subparagraph, the total basis of the acquired properties (other than the stock) is \$30,000, that is, their cost (\$90,000, of which \$42,000 is for section 1250 property and \$48,000 is for land), reduced by the portion of the total gain realized which was not recognized (\$60,000).

(b) Under subdivision (iii) of this subparagraph, such total basis is allocated between the section 1250 property and the land in proportion to their respective costs, and for this purpose the cost of the section 1250 property is considered to be \$32,000, that is, its actual cost (\$42,000) minus the gain not recognized under section 1250(a)(1) by reason of the application of section 1250(d)(4)(A) (\$10,000). Thus, the basis of the section 1250 property is \$12,000 ($\frac{32}{48}$ of \$30,000), and the basis of the land is \$18,000 ($\frac{18}{48}$ of \$30,000).

(c) The basis of the purchased stock is its cost of \$5,000. See last sentence of subdivision (ii) of this subparagraph.

Example (2). Assume the same facts as in example (1) except that the section 1250 property purchased for \$42,000 consists of two items of such property (\$10,500 for C, and \$31,500 for D), and that the land purchased for \$48,000 consists of two pieces of land (\$12,000 for X, and \$36,000 for Y). Under subdivision (iv) of this subparagraph, the total basis for each class of property is allocated between the individual properties of such class in proportion to their respective actual costs. Thus, the total basis of \$12,000, as determined in example (1), for the section 1250 property is allocated as follows:

To C: $\$12,000 \times (\$10,500/\$42,000)$ ----- \$3,000
To D: $\$12,000 \times (\$31,500/\$42,000)$ ----- 9,000

Total ----- 12,000

The total basis of \$18,000, as determined in example (1), for the land is allocated as follows:

To X: $\$18,000 \times (\$12,000/\$48,000)$ ----- \$4,500
To Y: $\$18,000 \times (\$36,000/\$48,000)$ ----- 13,500

Total ----- 18,000

(3) **Basis of property acquired upon involuntary conversion into similar property.** If property is involuntarily converted into property similar or related in service or use in a transaction to which section 1033(a)(1) applies, and if by reason of the application of section 1250(d)(4)(A) all or part of the gain computed under section 1250(a)(1) is not taken into account, then—

(i) The total basis of the acquired property shall be determined under the first sentence of section 1033(c), and

(ii) If more than one item of property is acquired, such total basis shall be allocated to the individual items of property acquired in accordance with the principles prescribed in subparagraph (2) (iii) and (iv) of this paragraph, except that an amount equivalent to the fair market value of each item of property on the date acquired shall be treated as its actual cost.

(4) *Basis of property acquired in like kind exchange.* If section 1250 property is transferred in an exchange described in section 1031 (a) or (b), and if by reason of the application of section 1250(d) (4) (A) all or part of the gain computed under section 1250(a)(1) is not taken into account, then—

(i) The total basis of the property (including non-section 1250 property) acquired of the type permitted to be received under section 1031 without recognition of gain or loss shall be determined under section 1031(d), and

(ii) If more than one item of property of such type was received, such total basis shall be allocated to the individual items of property of such type in accordance with the principles prescribed in subparagraph (2) (iii) and (iv) of this paragraph, except that an amount equivalent to the fair market value of each such item of property on the date received shall be treated as its actual cost.

(5) *Additional depreciation for property acquired in like kind exchange or involuntary conversion.* (i) If property is disposed of in a transaction described in section 1031 or 1033, and if by reason of the application of section 1250(d) (4) (A) all or part of the gain computed under section 1250(a)(1) is not taken into account, then the additional depreciation for the acquired property immediately after the transaction (as computed under section 1250(d) (4) (E)) shall be an amount equal to the amount of gain computed under section 1250(a)(1) which was taken into account by reason of the application of section 1250(d) (4) (A).

(ii) In case more than one item of section 1250 property is acquired in the transaction, the additional depreciation computed under subdivision (i) of this subparagraph shall be allocated to each such item of section 1250 property in proportion to their respective adjusted bases.

(iii) The provisions of this subparagraph may be illustrated by the following examples:

Example (1). (a) On January 15, 1970, section 1250 property X is condemned and proceeds of \$100,000 are received. On such date, X's adjusted basis is \$25,000, the additional depreciation is \$10,000, and the applicable percentage is 70 percent. Since the additional depreciation (\$10,000) is less than the gain realized (\$75,000, that is, \$100,000 minus \$25,000) the amount of gain computed under section 1250(a)(1) (without regard to section 1250(d) (4) (A)) is \$7,000, that is, 70 percent of \$10,000.

(b) On March 1, 1970, all the proceeds are used to purchase section 1250 property Y in a transaction qualifying under section 1033 (a) (3) (A) for nonrecognition of gain. Accordingly, the gain not recognized by reason of the application of section 1033(a) (3) (A) is \$75,000, of which \$7,000 is gain computed under section 1250(a)(1) which is not taken into account by reason of the application of section 1250(d) (4) (A). See subparagraph (1) of this paragraph.

(c) Immediately after the transaction, Y's basis is \$25,000, that is, its cost (\$100,000) minus the total gain realized which was not recognized (\$75,000), and the additional depreciation (as computed under section 1250(d) (4) (E)) is \$7,000, that is, the amount of gain not taken into account under section

1250(a)(1) by reason of the application of section 1250(d) (4) (A).

(d) On December 15, 1970, before any depreciation deductions were allowed or allowable in respect of Y, Y is sold for \$90,000. Under section 1250(e) (1), the holding period of Y is 9 months, and thus, under section 1250(a)(2), the applicable percentage is 100 percent. Since the additional depreciation (\$7,000) is less than the gain realized (\$65,000, that is, \$90,000 minus \$25,000), the amount of gain recognized under section 1250(a)(1) as ordinary income is \$7,000, that is, 100 percent of \$7,000.

Example (2). Assume the same facts as in example (1), except that 90 full months after section 1250 property Y was purchased it is sold for \$35,000. Thus the applicable percentage is 30 percent. Assume further that at the time of such sale Y's adjusted basis is \$5,000 and additional depreciation in respect of Y for periods after it was acquired is \$2,500. Thus, the additional depreciation at the time of the sale is \$9,500, that is, the sum of the additional depreciation in respect of Y attributable to X as computed under section 1250(d) (4) (E) in (c) of example (1) (\$7,000), plus the additional depreciation attributable to periods after Y was acquired (\$2,500). Since the additional depreciation (\$9,500) is less than the gain realized (\$30,000, that is, \$35,000 minus \$5,000), the gain recognized under section 1250(a)(1) as ordinary income is \$2,850, that is, 30 percent of \$9,500.

(6) *Single disposition of section 1250 property and property of different class.*

(i) For purposes of this subparagraph—

(a) Section 1250 property, section 1245 property (as defined in section 1245(a) (3)), and other property shall each be treated as a separate class of property, and

(b) The term "qualifying property" means property which may be acquired without recognition of gain under the applicable provision of section 1031 or 1033 (applied without regard to section 1250 or 1245) upon the disposition of property.

(ii) If upon a sale of section 1250 property gain would be recognized under section 1250(a)(1), and if such section 1250 property together with property of a different class or classes are disposed of in one transaction in which gain is not recognized in whole or in part under section 1031 or 1033 (without regard to sections 1245 and 1250), then—

(a) The total amount realized shall be allocated between the different classes of property disposed of in proportion to their respective fair market values,

(b) The amount realized upon the disposition of property of a class shall be deemed to consist of so much of the fair market value of qualifying property of the same class acquired as is not in excess of the amount realized from the property of such class disposed of,

(c) The remaining portion (if any) of the amount realized upon the disposition of property of such class shall be deemed to consist of so much of the fair market value of any other property acquired as is not in excess of such remaining portion, and

(d) For purposes of applying (c) of this subdivision, the fair market value of acquired property shall be taken into account only once and in such manner as the taxpayer determines.

(iii) The amounts determined under this subparagraph in respect of property shall apply for all purposes of the Code.

(iv) The application of this subparagraph may be illustrated by the following example:

Example. (a) Green owns property consisting of land and a fully equipped factory building thereon. The property is condemned and proceeds of \$100,000 are received. If the property were sold for \$100,000, gain of \$40,000 would be recognized of which \$10,000 would be recognized as ordinary income under section 1250(a)(1). Proceeds of \$95,000 are used to purchase property similar or related in service or use to the condemned property and under section 1033(a) (3) (A) (without regard to sections 1245 and 1250) recognition of gain is limited to \$5,000. The fair market values by classes of the property disposed of, and of the property acquired, are summarized in the table below:

	Fair market value of property	
	Disposed of	Acquired
Sec. 1245 property.....	\$35,000	\$55,000
Sec. 1250 property.....	45,000	28,000
Land.....	20,000	12,000
Cash.....		5,000
	100,000	100,000

(b) The allocations under subdivision (ii) of this subparagraph are summarized in the table below:

Property disposed of	Property acquired			Cash remaining
	Sec. 1245 property	Sec. 1250 property	Land	
\$35,000 of sec. 1245 property.....	\$35,000			
\$45,000 of sec. 1250 property.....	17,000	\$28,000		
\$20,000 of land.....	13,000		\$12,000	\$5,000
Total.....	55,000	28,000	12,000	5,000

¹ Determined by taxpayer pursuant to subdivision (ii) (d) of this subparagraph.

(c) Upon the disposition of the section 1245 property, only section 1245 property is acquired, and thus gain (if any) would not be recognized under section 1245(a)(1). See section 1245(b) (4). Upon the disposition of the section 1250 property gain under section 1250(a)(1) would not be recognized by reason of the application of section 1250(d) (4) (A). See subparagraph (1) of this paragraph. If the gain realized on the disposition of the land is not less than \$5,000, then under section 1033(a) (3) (A) the gain recognized would be \$5,000, that is, an amount equal to the portion of the proceeds from the disposition of the land (\$5,000) not invested in qualifying property.

(7) *Disposition of portion of property.* A disposition described in section 1250(d) (4) (A) of a portion of an item of property gives rise to an addition to capital account described in the last sentence of paragraph (c) (2) (i) of § 1.1250-5 (relating to property with 2 or more elements). If the addition to capital account is a separate improvement within the meaning of paragraph (c) of § 1.1250-5, and thus an element, then immediately after the addition is made the amount of additional depreciation for such separate improvement shall be

computed under subparagraph (5) of this paragraph by treating such portion and such addition as separate properties. If the addition is not a separate improvement, then immediately after the addition is made such property is considered under paragraph (b) (5) (ii) of § 1.1250-5 as having a special element with the same amount of additional depreciation so computed. For purposes of computing applicable percentage, the holding period of the separate improvement or special element (as the case may be), which is determined under section 1250 (e) (1), does not include the holding period of the property disposed of.

(e) *Section 1071 and 1081 transactions*—(1) *General*. This paragraph prescribes regulations under section 1250(d) (5) which apply in the case of a disposition of section 1250 property in a transaction in which gain (determined without regard to section 1250) is not recognized in whole or in part by reason of the application of section 1071 (relating to gain from sale or exchange to effectuate policies of S.E.C.) or section 1081 (relating to gain from sale or exchange in obedience to order of S.E.C.).

(2) *Involuntary conversion treatment under section 1071*. If section 1250 property is disposed of and gain (determined without regard to section 1250) is not recognized in whole or in part solely by reason of an election under the first sentence of section 1071(a) to treat the transaction as an involuntary conversion, the consequences of the transaction shall be determined under the principles of paragraph (d) of this section.

(3) *Basis reduction under section 1071 or 1081(a) (2)*. (i) If section 1250 property is disposed of and gain (determined without regard to section 1250) is not recognized in whole or in part by reason of a reduction in basis of property pursuant to an election under section 1071 (a) or the application of section 1081(a) (2), then the amount of gain taken into account by the transferor under section 1250(a) (1) shall not exceed the sum of—

(a) The amount of gain recognized on such disposition (determined without regard to section 1250), plus

(b) In case involuntary conversion treatment was also elected under section 1071(a), an amount equal to the cost of any stock purchased in a corporation which (without regard to section 1250) would result in nonrecognition of gain under section 1033(a) (3), as modified by section 1071(a), plus

(c) The portion of the gain computed under section 1250(a) (1) (without regard to this paragraph) which is neither taken into account under (a) or (b) of this subdivision nor applied under subdivision (ii) of this subparagraph to reduce the basis of section 1250 property.

(ii) (a) The amount of gain computed under section 1250(a) (1) (without regard to this paragraph) which is not taken into account under subdivision (i) (a) or (b) of this subparagraph shall be applied to the amount by which the basis of the section 1250 property was reduced under section 1071(a) or 1081(a) (2), as the case may be, before other

gain (which is not gain computed under section 1250(a) (1)) is so applied.

(b) If the basis of more than one item of section 1250 property was so reduced, the gain applied under (a) of this subdivision to all such section 1250 properties shall be applied to such items in proportion to the amounts of their respective basis reductions.

(c) Any gain not applied under (a) of this subdivision shall be applied to the amount by which the basis of the non-section 1250 property was reduced.

(iii) If gain computed under section 1250 is applied under subdivision (ii) of this subparagraph to reduce the basis of section 1250 property, the amount so applied shall be treated as additional depreciation in respect of such section 1250 property. For treatment of such section 1250 property as having a special element with additional depreciation consisting of such amount, see paragraph (b) (5) (i) of § 1.1250-5. For purposes of computing applicable percentage, such special element shall have a holding period beginning on the day after the date as of which the property's basis was so reduced.

(4) *Section 1081(d) (1) (A) transaction*. No gain shall be recognized under section 1250(a) (1) upon an exchange of property as to which gain would not be recognized (without regard to section 1250) because of the application of section 1081(d) (1) (A) (relating to transfers within system group). For treatment of property in hands of transferee, the principles of paragraph (c) (3) of this section shall apply.

(f) *Property distributed by a partnership to a partner*—(1) *General*. For purposes of section 1250 (d) (3) and (e) (2), the basis of section 1250 property distributed by a partnership to a partner shall be deemed to be determined by reference to the adjusted basis of such property to the partnership. Thus, if section 731 applies to a distribution of section 1250 property by a partnership to a partner, then even though the partner's basis is not determined by reference to the partnership's basis (i) the amount of gain taken into account by the partnership under section 1250(a) (1) is limited by section 1250(d) (3) to the amount of gain recognized to the partnership upon the distribution (determined without regard to section 1250), and (ii) the holding period of the property in the hands of the partner shall, under section 1250(e) (2), include the holding period of the property in the application of section 1250(d) (3) to a disposition to an organization (other than a cooperative described in section 521) which is exempt from the tax imposed by chapter 1 of the Code, see paragraph (c) (1) of this section.

(2) *Treatment of property distributed by partnership*. (i) If section 1250 property is distributed by a partnership to a partner in a distribution in which no part of the partnership's "potential section 1250 income" in respect of the property was recognized as ordinary income to the partnership under paragraph (b) (2) (ii) of § 1.751-1, the additional depreciation for the property in

the hands of the distributee attributable to periods before the distribution shall be an amount equal to the total potential section 1250 income of the partnership in respect of the property immediately before the distribution, recomputed as if the applicable percentage for the property has been 100 percent. Under paragraph (c) (4) of § 1.751-1, in effect, potential section 1250 income is the gain to which section 1250(a) (1) would have applied if the property had been sold by the partnership immediately before the distribution at its fair market value at such time.

(ii) If upon the distribution any potential section 1250 income in respect of the property was recognized to the partnership under paragraph (b) (2) (ii) of § 1.751-1, then after the distribution the additional depreciation shall be an amount equal to (a) the total potential section 1250 income in respect of the property, as recomputed in subdivision (i) of this subparagraph, minus (b) the amount of potential section 1250 income which would have been recognized to the partnership under paragraph (b) (2) (ii) of § 1.751-1 if the applicable percentage for the property had been 100 percent.

(iii) If the partner's basis for the property immediately after the transaction exceeds the partnership's adjusted basis for the property immediately before the transaction, the excess may be an addition to capital account under paragraph (c) (2) (ii) of § 1.1250-5 (relating to property with two or more elements).

(3) *Examples*. The provisions of subparagraphs (1) and (2) of this paragraph may be illustrated by the following examples:

Example (1). (i) A partnership distributes a building to Smith in complete liquidation of his partnership interest to which section 736(a) does not apply. On the date of the distribution, the partnership's holding period for the property is 40 full months and, accordingly, the applicable percentage is 80 percent. On such date, the partnership's additional depreciation for the building (\$6,250) is lower than the excess (\$40,000) of its fair market value (\$140,000) over adjusted basis (\$100,000). Thus, under paragraph (c) (4) of § 1.751-1, the partnership's potential section 1250 income in respect of the building is \$5,000 (80 percent of \$6,250). Assume that section 751(b) does not apply to the distribution. Accordingly, no gain would be recognized to the partnership under section 731(b) (without regard to the application of section 1250). Smith's basis for his partnership interest was \$150,000, and under section 732(b) Smith's basis for the building is equal to his basis for his partnership interest. Thus, Smith's basis for the building is not determined by reference to the partnership's basis for the building. Nevertheless, under subparagraph (1) of this paragraph, no gain is recognized to the partnership under section 1250(a) (1) and Smith's holding period for the property includes the partnership's holding period.

(ii) Six full months after Smith receives the building in the distribution he sells it for \$153,000. Assume that no depreciation was allowed or allowable to Smith for the building, and that the special rules under § 1.1250-5 for property with two or more elements do not apply. Since Smith's holding period for the building includes its holding period in the hands of the partnership, his holding period is 46 full months (40 full

months for the partnership, plus 6 full months for Smith) and the applicable percentage is 74 percent.

(iii) Since no potential section 1250 income was recognized to the partnership under paragraph (b)(2)(ii) of § 1.751-1, the additional depreciation for the building attributable to periods before the distribution is determined under the provisions of subparagraph (2)(i) of this paragraph. Under such provisions, the potential section 1250 income to the partnership, which was actually \$5,000 (that is, 80 percent of \$6,250), is recomputed as if the applicable percentage were 100 percent, and thus such additional depreciation is \$6,250 (that is, 100 percent of \$6,250). Since no depreciation was allowed or allowable for the building in Smith's hands, the additional depreciation for the building attributable to Smith's total holding period (46 full months) is \$6,250. Since the gain realized (\$3,000, that is, amount realized, \$153,000, minus adjusted basis, \$150,000), is lower than the additional depreciation (\$6,250), the gain recognized to Smith under section 1250(a)(1) is \$2,220 (that is, 74 percent of \$3,000).

Example (2). Assume the facts as in example (1) except that as a result of the distribution the partnership recognizes under paragraph (b)(2)(ii) of § 1.751-1 potential section 1250 income of \$1,000 (that is, 80 percent of \$1,250). The additional depreciation attributable to periods before the distribution, as determined under the provisions of subparagraph (2)(ii) of this paragraph, is \$5,000, that is, (a) the total potential section 1250 income in respect of the property, recomputed in example (1) as if the applicable percentage was 100 percent (\$6,250), minus (b) the amount of potential section 1250 income which would have been recognized to the partnership under paragraph (b)(2)(ii) of § 1.751-1 if the applicable percentage for the property had been 100 percent (\$1,250, that is, 100 percent of \$1,250).

(4) *Treatment of partnership property after certain transactions.* If under paragraph (b)(3) of § 1.751-1 (relating to certain distributions of partnership property other than section 751 property treated as sales or exchanges) a partnership is treated as purchasing section 1250 property (or a portion thereof) from a distributee who relinquishes his interest in such property (or portion), then after the date of such purchase the following rules shall apply:

(i) If only a portion of the property is treated as purchased, there shall be excluded from the additional depreciation for the remaining portion any additional depreciation in respect of the purchased portion for periods before such purchase.

(ii) In respect of the purchased property (or portion), (a) as of the date of purchase the amount of additional depreciation shall be zero, and (b) for purposes of computing applicable percentage the holding period shall begin on the day after the date of such purchase.

(5) *Cross reference.* See paragraph (e) of § 1.1250-1 for the amount of additional depreciation for partnership property in respect of a partner who acquired his partnership interest in certain transactions when an election under section 754 (relating to optional adjustments to basis of partnership property) was in effect.

(g) *Disposition of principal residence—(1) In general.* (i) Section 1250

(d)(7)(A) provides that section 1250(a)(1) shall not apply to a disposition of property by a taxpayer to the extent the property is used by the taxpayer as his principal residence (within the meaning of section 1034(a) and the regulations thereunder, relating to a sale or exchange of residence). Thus, for example, if a doctor sells a house, of which one portion was used as his principal residence within the meaning of section 1034(a) and the other portion was properly subject to the allowance for depreciation as properly used in his trade or business, then, by reason of the application of section 1250(d)(7)(A), section 1250(a)(1) does not apply in respect of the disposition of the portion used as his principal residence. The provisions of this subparagraph shall apply regardless of whether section 1034 applies. Thus, for example, if section 1034 did not apply to the sale because the doctor did not invest in a new principal residence within the period specified in section 1034, nevertheless section 1250(a)(1) would not apply to the disposition of the portion used as a principal residence.

(ii) Section 1250(d)(7)(B) provides that section 1250(a)(1) shall not apply to a disposition of section 1250 property by a taxpayer who, in respect of the property, satisfies the age and ownership requirements of section 121 (relating to exclusion from gross income of gain on sale or exchange of residence of individual who has attained age 65), but only to the extent the taxpayer satisfies the use requirements of section 121 in respect of such property. Thus, if a taxpayer has attained the age of 65 before the date on which he disposes of section 1250 property, and if during the 8-year period ending on the date of the disposition the property has been owned and used by the taxpayer solely as his principal residence for periods aggregating 5 years or more, then section 1250(a)(1) does not apply in respect of the disposition. This result would not be changed even if the taxpayer does not or cannot make the election provided for in section 121 and even if section 121 applies to only a portion of the gain because the adjusted sales price exceeds the \$20,000 limitation in section 121(b)(1). If, however, only a portion of the property has been used as his principal residence for such periods aggregating 5 years or more, then, by reason of the application of section 1250(d)(7)(B), section 1250(a)(1) is inapplicable only to the portion so used. For special rules for determining whether the age, ownership, and use requirements of section 121 are treated as satisfied, and for the manner of applying such requirements, see section 121(d) and the regulations thereunder.

(2) *Concurrent operation of section 1250(d)(7) with other provisions.* Upon the disposition of a principal residence, gain computed under section 1250(a)(1) may not be recognized in whole or in part by reason of the application of both the provisions of section 1250(d)(7) and the provisions of one of the other exceptions or limitations enumerated in section 1250(d). Thus, for example, if an entire house is transferred as a gift, and

if section 1250(d)(7) applies to only a portion of the house, then section 1250(d)(1) excepts the disposition of the entire house from the application of section 1250(a)(1).

(3) *Special rule.* If by reason of section 1250(d)(7) a disposition is partially excepted from the application of section 1250(a)(1), and if no other paragraph of section 1250(d) excepts the disposition entirely from such application, then the gain to which section 1250(a)(1) applies shall be an amount which bears the same ratio to (i) the gain computed under section 1250(a)(1) (without regard to section 1250(d)(7)), as (ii) the fair market value of the portion of the property to which the exception in section 1250(d)(7) does not apply, bears to (iii) the total fair market value of the property. Thus, for example, if under paragraph (a)(2) of this section gain of \$300 would be recognized as ordinary income under section 1250(a)(1) (without regard to section 1250(d)(7)) upon a sale of section 1250 property which is in part a gift, and if the property has a fair market value of \$25,000, of which \$10,000 is properly allocable to a portion not used as a principal residence, then the amount of gain recognized as ordinary income under section 1250(a)(1) would be \$120 ($\frac{10,000}{25,000}$ of \$300).

(4) *Treatment of property in hands of transferee.* If property is disposed of in a transaction to which section 1250(d)(7) applies, and if its basis in the hands of the transferee is determined by reference to its basis in the hands of the transferor by reason of the application of section 1250(d)(1) (relating to gifts) or section 1250(d)(3) (relating to certain tax-free transactions), then the treatment of the property in the hands of the transferee shall be determined under paragraph (a)(3) or (c)(3) (whichever is applicable) of this section.

(5) *Treatment of property acquired in like kind exchange or involuntary conversion.* If property is disposed of in a transaction to which section 1250(d)(7) (relating to principal residence) and section 1250(d)(4) (relating to like kind exchanges and involuntary conversions) apply, then—

(i) The basis of the property acquired shall be determined under the applicable provisions of paragraph (d)(2), (3), or (4) of this section, applied as if all gain computed under section 1250(a)(1) (except any gain not recognized solely by reason of the application of section 1250(d)(7)) were not taken into account by reason of section 1250(d)(4)(A).

(ii) The additional depreciation for the property acquired shall be determined in the manner prescribed in paragraph (d)(5) of this section, so applied, and

(iii) For purposes of computing the applicable percentage, the holding period of the acquired property shall be determined under section 1250(e)(1).

(6) *Treatment of property acquired in section 1034 transaction.* If a principal residence is disposed of in a transaction to which section 1250(d)(7) applies, and if by reason of the application of section 1034 (relating to sale or exchange of resi-

dence) the basis of property acquired in the transaction is determined by reference to the basis in the hands of the taxpayer of the property disposed of, then—

(i) The additional depreciation for the acquired property immediately after the transaction shall be an amount equal to (a) the amount of the additional depreciation for the property disposed of, minus (b) the amount of any gain taken into account under section 1250(a)(1) by the transferor upon the disposition.

(ii) For purposes of computing the applicable percentage, the holding period of the acquired property includes the holding period of the disposed of property (see sec. 1250(e)(3)).

(iii) If the adjusted basis of the acquired property exceeds the adjusted basis immediately before the transfer of the property disposed of, the excess is an addition to capital account under paragraph (c)(2)(ii) of § 1.1250-5 (relating to property with more than one element, and

(iv) If the property disposed of consisted of two or more elements within the meaning of paragraph (b) of § 1.1250-5, see paragraph (d)(3) of § 1.1250-5 for the amount of additional depreciation and the holding period for each element in the hands of the transferee.

§ 1.1250-4 Holding period.

(a) *General.* In general, for purposes only of determining the applicable percentage (as defined in sec. 1250(a)(2)) of section 1250 property, the holding period of the property shall be determined under the rules of section 1250(e) and this section and not under the rules of section 1223. If the property is treated as consisting of two or more elements (within the meaning of paragraph (b)(1) of § 1.1250-5), see paragraph (a)(2)(ii) of § 1.1250-5 for application of this section to determination of holding period of each element. Section 1250(e) does not affect the determination of the amount of additional depreciation in respect of section 1250 property.

(b) *Beginning of holding period.* (1) For the purpose of determining the applicable percentage, in the case of property acquired by the taxpayer (other than by means of a transaction referred to in paragraph (c) or (d) of this section), the holding period of the property shall begin on the day after the date of its acquisition. See section 1250(e)(1)(A). Thus, for example, if a taxpayer purchases section 1250 property on January 1, 1965, the holding period of the property begins on January 2, 1965. If he sells the property on October 1, 1966, the holding period on the day of the sale is 21 full months, and, accordingly, the applicable percentage is 99 percent. This result would not be changed even if the property initially had been used solely as the taxpayer's residence for a portion of the 21-month period. If, however, the property were sold on September 30, 1966, the holding period would be only 20 full months.

(2) For the purpose of determining the applicable percentage in the case of

property constructed, reconstructed, or erected by the taxpayer, the holding period of the property shall begin on the first day of the month during which the property is placed in service. See section 1250(e)(1)(B). Thus, for example, if a taxpayer constructs section 1250 property and places it in service on January 15, 1965, its holding period begins on January 1, 1965. If the taxpayer sells the property on December 31, 1966, its holding period on the day of sale is 24 full months, and, accordingly, the applicable percentage is 96 percent. For purposes of this subparagraph, property is placed in service on the date on which it is first used, whether in a trade or business, in the production of income, or in a personal activity. Thus, for example, a residence constructed by a taxpayer for his personal use is placed in service on the date it is occupied as a residence. For purposes of determining the date property is placed in service, it is immaterial when the period begins for depreciation with respect to the property under any depreciation practice under which depreciation begins in any month other than the month in which the property is placed in service. If one or more units of a single property are placed in service on different dates before the completion of the property, see paragraph (b)(3) of § 1.1250-5 (relating to treatment of each such unit as an element).

(c) *Property with transferred basis.* Under section 1250(e)(2), if the basis of property acquired in a transaction described in this subparagraph is determined by reference to its basis in the hands of the transferor, then the holding period of the property in the hands of the transferee shall include the holding period of the property in the hands of the transferor. The transactions described in this subparagraph are:

(1) A gift described in section 1250(d)(1).

(2) Certain transfers at death to the extent provided in paragraph (b)(2)(ii) of § 1.1250-3.

(3) Certain tax-free transactions to which section 1250(d)(3) applies. For application of section 1250(d)(3) and (e)(2) to a distribution by a partnership to a partner, see paragraph (f)(1) of § 1.1250-3.

(4) A transfer described in paragraph (e)(4) of § 1.1250-3 (relating to transaction under section 1081(d)(1)(A)).

(d) *Principal residence acquired in certain transactions.* The holding period of a principal residence acquired in a transaction to which section 1034 and paragraph (g)(6) of § 1.1250-3 apply includes the holding period of the principal residence disposed of in such transaction. See section 1250(e)(3). The holding period of a principal residence acquired does not include the period beginning on the day after the date of the disposition and ending on the date of the acquisition.

(e) *Application of transferred basis and principal residence rules.* The determination of holding period under this section shall be made without regard to whether a transaction occurred prior to the effective date of section 1250 and

without regard to whether there was a gain upon the transaction. Thus, for example, under paragraph (c) of this section a donee's holding period for property includes his donor's holding period notwithstanding that the gift occurred on or before December 31, 1963, or that there was no additional depreciation in respect of the property at the time of the gift.

(f) *Cross reference.* If the adjusted basis of the property in the hands of the transferee immediately after a transaction to which paragraph (c) or (d) of this section applies exceeds its adjusted basis in the hands of the transferor immediately before the transaction, the excess is an addition to capital account under paragraph (c)(2)(ii) of § 1.1250-5 (relating to property with two or more elements).

§ 1.1250-5 Property with two or more elements.

(a) *Amount treated as ordinary income—(1) General.* If section 1250 property consisting of two or more elements (described in paragraph (b) of this section) is disposed of, the amount of gain taken into account under section 1250(a)(1) shall be the sum, determined in the following three steps, of the amount of gain for each element.

(2) *Step 1.* The first step is to make the following computations:

(i) In respect of the property as a whole, compute the additional depreciation (as defined in section 1250(b)), and the gain realized. For purposes of this paragraph, in the case of a transaction other than a sale, exchange or involuntary conversion, the gain realized shall be considered to be the excess of the fair market value of the property over its adjusted basis.

(ii) In respect of each element as if it were a separate property, compute the additional depreciation for the element, and the applicable percentage (as defined in section 1250(a)(2)) for the element. For additional depreciation in respect of an element of property acquired in certain transactions, see paragraph (d) of this section. For purposes of determining additional depreciation, the holding period of an element shall be determined under section 1223, applied by treating the element as a separate property. However, for the purpose of determining applicable percentage, the holding period for an element shall, except to the extent provided in paragraphs (b)(5), (d), and (e) of this section, be determined in accordance with the rules prescribed in § 1.1250-4.

(3) *Step 2.* The second step is to determine the amount of gain for each element in the following manner:

(i) If the amount of additional depreciation in respect of the property as a whole is equal to the sum of the additional depreciation in respect of each element having additional depreciation, and if such amount is not more than the gain realized, then the amount of gain to be taken into account for an element is the product of the additional depreciation for the element, multiplied by the applicable percentage for the element.

(ii) If subdivision (i) of this subparagraph does not apply, the amount of gain to be taken into account for an element is the product of—

(a) The additional depreciation for the element, multiplied by

(b) The applicable percentage for the element, and multiplied by

(c) A ratio, computed by dividing (1) the lower of the additional depreciation in respect of the property as a whole or the gain realized, by (2) the sum of the additional depreciation in respect of each element having additional depreciation.

(4) Step 3. The third step is to compute the sum of the amounts of gain for each element, as determined in step 2.

(5) Examples. The provisions of this subparagraph may be illustrated by the following examples:

Example (1). Gain of \$35,000 is realized upon a sale of section 1250 property which consists of four elements (W, X, Y, and Z). Since on the date of the sale the amount of additional depreciation in respect of the property as a whole (\$24,000) is equal to the sum of the additional depreciation in respect of each element having additional depreciation and is less than the gain realized, the additional depreciation for each element is determined under subparagraph (3) (i) of this paragraph. The amount of gain taken into account under section 1250(a) (1) is \$7,500, as determined in the following table in accordance with the additional facts assumed.

Element	Additional depreciation	×	Applicable percentage	=	Gain for element
W	\$12,000	×	0	=	\$0
X	6,000	×	50	=	3,000
Y	0	×	63	=	0
Z	6,000	×	75	=	4,500
Totals	24,000				7,500

Example (2). Assume the same facts as in example (1), except that in respect of the property as a whole the additional depreciation is \$20,000 because with respect to element Y additional depreciation allowed was \$4,000 less than straight line. Accordingly, the sum of the additional depreciation for each element having additional depreciation is \$24,000, that is, \$4,000 greater than the additional depreciation in respect of the property as a whole. Thus, the additional depreciation for each element is determined under subparagraph (3) (ii) of this paragraph. The ratio referred to in subparagraph (3) (ii) (c) of this paragraph is $\frac{20,000}{35,000}$, that is, the lower of additional depreciation in respect of the property as a whole (\$20,000) or the gain realized (\$35,000), divided by the sum of the additional depreciation in respect of each element having additional depreciation (\$24,000). The amount of gain taken into account under section 1250(a) (1) is \$6,250, as determined in the following table:

Element	Additional depreciation	×	Applicable percentage	×	Ratio	=	Gain for element
W	\$12,000	×	0	×	$\frac{20,000}{35,000}$	=	\$0
X	6,000	×	50	×	$\frac{20,000}{35,000}$	=	2,500
Y	0	×	63	×	$\frac{20,000}{35,000}$	=	0
Z	6,000	×	75	×	$\frac{20,000}{35,000}$	=	3,750
Totals	24,000						6,250

(b) **Element**—(1) **General.** For purposes of this section, in the case of section 1250 property, there shall be treated as separate elements the separate improvements, units, remaining property, and special elements which are respectively referred to in subparagraphs (2), (3), (4), and (5) of this paragraph.

(2) **Separate improvements.** There shall be treated as an element each "separate improvement" (as defined in paragraph (c) (1) of this section) to the property.

(3) **Units.** If before completion of section 1250 property one or more units thereof are placed in service, each such unit of the section 1250 property shall be treated as an element.

(4) **Remaining property.** The remaining property which is not taken into account under subparagraph (2) or (3) of this paragraph shall be treated as an element.

(5) **Special elements.** (i) If the basis of section 1250 property is reduced in the manner described in paragraph (b) (2) (ii) of § 1.1250-3 (relating to property acquired from a decedent prior to his death) or in paragraph (e) (3) (iii) of § 1.1250-3 (relating to basis reduction under section 1071 or 1082(a) (2)), then such property shall be considered as having a special element with additional depreciation equal to the amount of additional depreciation included in the depreciation adjustments (referred to in paragraph (d) (1) of § 1.1250-2) to which the basis reduction is attributable. For purposes of computing applicable percentage, the holding period of a special element under this subdivision shall be determined under paragraph (b) (2) (ii) or (e) (3) (iii) (whichever is applicable) of § 1.1250-3.

(ii) If a disposition described in section 1250(d) (4) (A) (relating to like kind exchanges and involuntary conversions) of a portion of an item of property gives rise to an addition to capital account (described in the last sentence of paragraph (c) (2) (i) of this section) which is not a separate improvement, then such property shall be considered as having a special element with additional depreciation and, for purposes of computing applicable percentage, a holding period determined under paragraph (d) (7) of § 1.1250-3.

(6) **Examples.** The provisions of this paragraph may be illustrated by the following examples:

Example (1). A taxpayer constructs an apartment house which he places in service in three stages. The total cost is \$1,000,000, of which \$350,000 is allocable to the first stage, \$500,000 to the second stage, and \$150,000 to the third stage. The first stage, which is placed in service on January 1, 1965, consists of 300 apartments and certain facilities, including a central heating system and a common lobby. The second stage, which is placed in service on July 15, 1965, consists of 550 apartments and certain facilities including the motor for a central air-conditioning system. The third stage, which is placed in service on January 19, 1966, consists of the residue of the apartment house. On December 31, 1968, the taxpayer disposes of the apartment house. On such date, the apartment house has three elements which are described in the table below:

Stage	Kind of element	Cost	Full months in holding period	Applicable percentage
1	Unit	\$350,000	48	72
2	Unit	500,000	42	78
3	Remaining property	150,000	36	84

Example (2). Assume the same facts as in example (1) except that on January 1, 1969, two new floors, which were added after the apartment house was completed, are placed in service and that on July 1, 1972, the taxpayer disposes of the building. Assume further that the two new floors are one separate improvement (within the meaning of paragraph (c) of this section). On the date disposed of, the property consists of four elements, that is, the three elements described in example (1) and the separate improvement.

(c) **Separate improvement**—(1) **Definition.** For purposes of this section, with respect to any section 1250 property, the term "separate improvement" means an "addition to capital account" described in subparagraph (2) of this paragraph which qualifies as an "improvement" under the 1-year test prescribed in subparagraph (3) of this paragraph and which satisfies the 36-month test prescribed in subparagraph (4) of this paragraph.

(2) **Addition to capital account.** (i) In the case of any section 1250 property, an addition to capital account described in this subparagraph is any addition to capital account in respect of such property after its initial acquisition or completion by the taxpayer or by any person who held the property during a period included in the taxpayer's holding period (see § 1.1250-4) for the property. An addition to the capital account of section 1250 property may arise, for example, if there is an expenditure for section 1250 property which is an improvement, replacement, addition, or alteration to such property (regardless of whether the cost thereof is capitalized or charged against the depreciation reserve). In such a case, the "addition to capital account" is the gross addition, unreduced by amounts attributable to replaced property, to the net capital account and not the net addition to such account. Thus, if a roof has an adjusted basis of \$20,000, and is replaced by constructing a new roof at a cost of \$50,000, the gross addition of \$50,000 is an addition to capital account. (The adjusted basis of the old roof is no longer included in the capital account for the property.) For purposes of this section, the status of an addition to capital account is not affected by whether or not it is treated as a separate property for purposes of determining depreciation adjustments. In case of an addition to the capital account of property arising after December 31, 1963, upon a disposition referred to in section 1250(d) (4) (relating to like kind exchanges and involuntary conversions) of a portion of an item of such property, the amount of such addition (and its basis for all purposes of the Code) shall be the basis thereof determined under paragraph (d) (2), (3), or (4) (whichever is applicable) of § 1.1250-3, applied by treating such portion and such addition as separate properties.

(ii) An addition to capital account may be attributable to an excess of the adjusted basis of section 1250 property in the hands of a transferee immediately after a transaction referred to in section 1250(e) (2) (relating to holding period of property with transferred basis) over its adjusted basis in the hands of the trans-

feror immediately before the transaction. Thus, for example, such excess may arise from a gift which is in part a sale or exchange (see paragraph (a) (2) of § 1.1250-3), from an increase in basis due to gift tax paid (see section 1015(d)), from a transfer referred to in paragraph (c) (2) of § 1.1250-3 (relating to certain tax-free transactions) in which gain is partially recognized, or from a distribution by a partnership to a partner in which no gain is recognized by reason of the application of section 731. Similarly, an addition to capital account may be attributable to an excess of the adjusted basis of a principal residence acquired in a transaction referred to in section 1250 (e) (3) over the adjusted basis of the principal residence disposed of, as well as to any increase in the adjusted basis of section 1250 property of a partnership by reason of an optional basis adjustment under section 734(b) or 743(b).

(iii) Whether or not an expenditure shall be treated as an addition to capital account described in this subparagraph, as distinguished from a separate item of property, may depend on how the property or properties are disposed of. Thus, for example, if a taxpayer, who owns a motel consisting of 10 buildings with common heating and plumbing systems, adds to the motel three new buildings which are connected to the common systems, and if the taxpayer sells the motel to one person in one transaction, then for purposes of this subparagraph the cost of the three new buildings shall be treated as an addition to the capital account of the motel and, if the 1-year and 36-month tests of subparagraphs (3) and (4) of this paragraph are satisfied, the motel consists of at least two elements. If, however, the 10-building group and the 3-building group were individually sold in separate transactions to two different people each of whom would operate his group as a separate business, the motel would consist of two items of property.

(3) *1-year test for improvement.* (i) An addition to capital account of section 1250 property for any taxable year (including a short taxable year and the entire taxable year in which the disposition occurs) shall be treated as an improvement only if the sum of all additions to the capital account of such property for such taxable year exceeds the greater of—

(a) \$2,000, or

(b) One percent of the unadjusted basis of the property, determined as of the beginning (1) of such taxable year, or (2) of the holding period (within the meaning of § 1.1250-4) of the property, whichever is the later.

(ii) For purposes of this section, the term "unadjusted basis" means the adjusted basis of the property, determined without regard to the adjustments provided in section 1016(a) (2) and (3) (relating to adjustments for depreciation, amortization, and depletion). For purposes of this paragraph, as of any particular date the unadjusted basis of section 1250 property (a) includes the cost of any addition to capital account for the property which arises prior to

such date (regardless of whether such addition qualified under this subparagraph as an improvement), and (b) does not include the cost of a component retired before such date.

(iii) In respect of a particular disposition of section 1250 property by a person—

(a) There shall not be taken into account under the 1-year test for improvements in this subparagraph any addition to capital account which arises by reason of (or after) such disposition or which arises before the beginning of the holding period under § 1.1250-4 of such person for the property, and

(b) Such test shall be made in respect of each taxable year of such person (and of any prior transferor) any day of which is included under § 1.1250-4 in such person's holding period for the property, except that (1) such test shall be made for a taxable year of such person only if such person actually owned the property on at least 1 day of such taxable year, and (2) such test shall be made for a taxable year of such prior transferor only if such prior transferor actually owned the property on at least 1 day of such taxable year.

(iv) The provisions of this subparagraph may be illustrated by the following examples:

Example (1). The unadjusted basis of section 1250 property as of the beginning of January 1, 1960, is \$300,000. During the taxable year ending on December 31, 1960, the only additions to the capital account for the property are addition A on January 1, 1960, costing \$1,000, and addition B on July 1, 1960, costing \$600. Since the sum of the amounts added to capital account for such taxable year is less than \$2,000, A and B are not treated as improvements. This result would not be changed if addition C, costing \$600, were added on December 15, 1960, since although the sum of the additions (\$1,000 plus \$600 plus \$600, or \$2,200) exceeds \$2,000, such sum is less than 1 percent of the unadjusted basis of the property as of the beginning of 1960 (\$3,000, that is, 1 percent of \$300,000). If however, C cost \$1,500, then A, B, and C would each be considered an improvement since the sum of the amounts added to capital account (\$3,100) would exceed \$3,000.

Example (2). Green and his son both use the calendar year as the taxable year. On February 1, 1965, Green makes addition A to a piece of section 1250 property. On June 15, 1965, Green transfers such property to his son as a gift which is in part a sale (see paragraph (a) of § 1.1250-3). Addition B arises by reason of the transfer. On August 1, 1965, the son makes addition C to the property. For purposes of determining the amount of gain recognized under section 1250 (a) (1) to Green upon the transfer, the determination of whether addition A is an improvement is made without taking into account additions B and C. For purposes of determining the amount of gain recognized under section 1250(a) (1) upon a subsequent disposition of the property by the son, additions B and C would be taken into account in the determination of whether A is an improvement, and A would be taken into account in the determination of whether B and C are improvements.

Example (3). Assume the same facts as in example (2). Assume further that on September 15, 1965, the son transfers the property to a corporation in exchange for cash and stock in the corporation in a transaction qualifying under section 351 (see paragraph

(c) of § 1.1250-3), and that the corporation uses a fiscal year ending November 30. For purposes of determining the amount of gain recognized under section 1250(a) (1) upon a subsequent disposition by the corporation, the one-year test under subdivision (1) of this subparagraph is made for the entire taxable year of Green and of the son ending on December 31, 1965, and in respect of the corporation's taxable year ending November 30, 1965. Accordingly, if on December 7, 1965, addition D is made by the corporation, then, upon a subsequent disposition by the corporation, D is taken into account for purposes of the determination in respect of the entire taxable year of Green and of the son ending on December 31, 1965, and for the corporation's taxable year ending November 30, 1966, but not for purposes of the corporation's taxable year ending November 30, 1965. If D were made on January 3, 1966, D would still be taken into account for purposes of the determination in respect of the corporation's taxable year ending November 30, 1966. However, since neither Green nor his son actually owned the property on any day of the taxable year ending December 31, 1966, no determination is made in respect of such taxable year of Green or of the son.

(4) *36-month test for separate improvement.* (i) If, during the 36-month period ending on the last day of any taxable year (including a short taxable year and the entire taxable year in which the disposition occurs), the sum of the amounts treated under subparagraph (3) of this paragraph as improvements for such period exceeds the greatest of—

(a) 25 percent of the adjusted basis of the property,

(b) 10 percent of the unadjusted basis (determined under subparagraph (3) (ii) of this paragraph) of the property, or

(c) \$5,000,

then each such improvement during such period shall be treated as a separate improvement, and thus as an element. For purposes of (a) and (b) of this subdivision, the adjusted basis (or unadjusted basis) of section 1250 property shall be determined as of the beginning of the 36-month period, or as of the beginning of the holding period of the property (within the meaning of § 1.1250-4), whichever is the later.

(ii) In respect of a particular disposition of section 1250 property by a person—

(a) There shall not be taken into account under the 36-month test for separate improvements in this subparagraph any amount treated under subparagraph (3) of this paragraph as an improvement which arises by reason of (or after) the disposition or which arises before the beginning of the holding period under § 1.1250-4 of such person for the property, and

(b) Such test shall be made in respect of each 36-month period ending on the last day of each taxable year of such person (and of any prior transferor) if at least one day of such period is included under § 1.1250-4 in such person's holding period for the property, except that (1) such test shall be made for a 36-month period ending on the last day of a taxable year of such person only if such person actually owned the property on at least one day of such period, and (2) such test shall be made for a 36-

month period ending on the last day of a taxable year of such prior transferor only if such prior transferor actually owned the property on at least one day of such period.

(iii) For illustrations of the principles of subdivision (ii) of this subparagraph, see examples (2) and (3) in subparagraph (3) (iv) of this paragraph.

(5) *Examples.* The application of this paragraph may be illustrated by the following examples:

Example (1). (1) On December 31, 1967, X, a calendar year taxpayer, purchases an item of section 1250 property at a cost of \$100,000. In the table below, the adjusted basis and unadjusted basis of the property are shown for the beginning of January 1 of each taxable year and it is assumed that each addition to capital was added on January 1 of the year shown.

Year	Adjusted basis	Unadjusted basis	1 percent of unadjusted basis	Addition
1969	\$94,000	\$100,000	\$1,000	A \$10,000
1970	97,030	110,000	1,100	B 4,000
1971	94,041	114,000	1,140	C 6,000
1972	92,799	120,000	1,200	
1973	86,188	120,000	1,200	D 18,000

(ii) Since each addition to capital account for the property exceeds the greater of \$2,000 or one percent of unadjusted basis, determined as of the beginning of the taxable year in which made, each addition to capital account qualifies as an improvement under subparagraph (2) of this paragraph.

(iii) Since the beginning of the holding period of the property under § 1.1250-4 (January 1, 1968) is later than the beginning of the 36-month period ending on December 31, 1969, the determination as to whether there are any separate improvements on the property as of December 31, 1969, is made by examining the adjusted basis (or unadjusted basis) of the property as of the beginning of January 1, 1968. As of December 31, 1969, there were no separate improvements on the property since the only amount treated as an improvement for the period beginning on January 1, 1968, and ending on December 31, 1969, is addition A (costing \$10,000), which is less than \$25,000, that is, 25 percent of the adjusted basis (\$100,000) of the property as of the beginning of January 1, 1968.

(iv) As of December 31, 1970, there were no separate improvements on the property since the sum of the amounts treated as improvements for the 36-month period ending on December 31, 1970, is \$14,000 (that is, \$10,000 for A, plus \$4,000 for B), and this sum is less than \$25,000, that is, 25 percent of the adjusted basis (\$100,000) of the property as of the beginning of January 1, 1968.

(v) As of December 31, 1971, there were no separate improvements on the property since the sum of the amounts treated as improvements for the 36-month period ending on December 31, 1971, is \$20,000 (that is, \$10,000 for A, plus \$4,000 for B, plus \$6,000 for C), and this sum is less than \$25,000, that is, 25 percent of the adjusted basis (\$94,000) of the property as of the beginning of the first day of January 1, 1969.

(vi) As of December 31, 1972, there were no separate improvements on the property since the sum of the amounts treated as improvements for the 36-month period ending on December 31, 1972, is \$10,000 (that is, \$4,000 for B plus \$6,000 for C), and this sum is less than \$24,258, that is, 25 percent of the adjusted basis (\$97,030) of the property as of the beginning of the first day of January 1, 1970.

(vii) As of December 31, 1973, C and D are separate improvements (notwithstanding that as of December 31, 1971 and 1972, C was not a separate improvement) since the sum of the amounts added for the 36-month period ending December 31, 1973, is \$24,000 (that is, \$6,000 for C plus \$18,000 for D), and this sum exceeds the greatest of—

(a) \$23,510, that is, 25 percent of the adjusted basis (\$94,041) of the section 1250 property as of the beginning of the first day of January 1, 1961,

(b) \$11,400, that is, 10 percent of the unadjusted basis (\$114,000) of the property as of the beginning of such first day, or

(c) \$5,000.

Example (2). Assume the same facts as in example (1). Assume further that after addition D was made, no other additions were made to the capital account of the property and that the taxpayer sells the property on January 15, 1981. Since under paragraph (a) (2) (ii) of this section the holding period for C is more than 120 full months, the applicable percentage for C is zero, and, since under paragraph (a) (2) (ii) of this section the holding period for D is 96 full months, the applicable percentage for D is 24 percent.

(d) *Additional depreciation and holding period of property acquired in certain transactions—*(1) *Transferred basis.* If property consisting of two or more elements is disposed of, and if the holding period of the property in the hands of the transferee for purposes of computing applicable percentage includes the holding period of the transferor by reason of the application of paragraph (c) (other than subparagraph (2) thereof) of § 1.1250-4, then the additional depreciation for each element of the property in the hands of the transferee immediately after the transfer shall be computed in the manner set forth in this subparagraph. First, any element having a deficit in additional depreciation in the hands of the transferor immediately before such transfer shall be considered to have the same deficit in the hands of the transferee. Second, elements having additional depreciation in the hands of the transferor immediately before the transfer shall be considered to have additional depreciation in the hands of the transferee. The sum of the transferee's additional depreciation for all elements of the property having additional depreciation in the hands of the transferor shall be an amount equal to the additional depreciation in respect of the property as a whole immediately after the transfer increased by the sum of the deficits in additional depreciation for all elements having such deficits. In case there is more than one element having additional depreciation, the additional depreciation for any such element in the hands of the transferee shall be computed by multiplying (i) the amount computed under the preceding sentence by (ii) the additional depreciation for such element in the hands of the transferor divided by the sum of the additional depreciation for all such elements having additional depreciation in the hands of the transferor. For purposes of computing applicable percentage, the holding period for an element of such property in the hands of the transferee shall include the holding period of such element in the hands of the transferor.

(2) *Example.* The provisions of subparagraph (1) of this paragraph may be illustrated by the following example:

Example. Section 1250 property has additional depreciation of \$16,000, of which \$12,000 is additional depreciation for element X and \$4,000 for element Y. The property is transferred to a corporation in exchange for cash of \$6,000 and for stock in the corporation. Assume that recognition of gain under section 1250(a) (1) is limited to \$6,000 (the amount of cash received) by reason of the application of section 351(b) (relating to transfer to corporation controlled by transferor) and section 1250(d) (3) (relating to limitation on application of section 1250 in certain tax-free transactions). Under paragraph (c) (3) (i) of § 1.1250-3, the additional depreciation for the property in the hands of the corporation immediately after the transfer is \$10,000, that is, the additional depreciation for the property in the hands of the transferor immediately before the transfer (\$16,000) minus the gain under section 1250(a) (1) recognized upon the transfer (\$6,000). Under subparagraph (1) of this paragraph, in the hands of the corporation immediately after the transfer element X has additional depreciation of \$7,500 ($\frac{1}{2}$ of \$10,000) and element Y has additional depreciation of \$2,500 ($\frac{1}{2}$ of \$10,000). Under paragraph (c) (2) (ii) of this section there is an addition of \$6,000 to the capital account for the property.

(3) *Principal residence.* If a principal residence consisting of two or more elements is disposed of, and if for purposes of computing applicable percentage the holding period of the principal residence acquired includes the holding period of the principal residence disposed of by reason of the application of paragraph (d) of § 1.1250-4, then the additional depreciation (or a deficit in additional depreciation) for an element of the principal residence acquired immediately after the transaction shall be determined in a manner consistent with the principles of subparagraph (1) of this paragraph. For purposes of computing applicable percentage, the holding period for an element of the principal residence acquired includes the holding period of such element of the principal residence disposed of, but not the period beginning on the day after the date of the disposition and ending on the date of the acquisition.

(e) *Holding period for small separate improvements—*(1) *General.* This paragraph prescribes a special holding period solely for the purpose of computing the applicable percentage of a separate improvement (as defined in paragraph (c) of this section) which is treated as an element. See paragraph (a) (2) (ii) of this section for determination of holding period under section 1223 for purposes of computing additional depreciation. In respect of section 1250 property, if the amount of a separate improvement does not exceed the greater of—

(i) \$2,000, or

(ii) One percent of the unadjusted basis (within the meaning of paragraph (c) (3) (ii) of this section) of such property, determined as of the beginning of the taxable year in which such separate improvement was made,

then such separate improvement shall be treated for purposes of computing ap-

plicable percentage as placed in service on the first day of a calendar month which is the closest such first day to the middle of the taxable year. See the last sentence of section 1250(f)(4)(B). If two such first days are equally close to the middle of the taxable year, the earliest of such days is the applicable day.

(2) *Example.* The application of this paragraph may be illustrated by the following example:

Example. (i) The unadjusted basis of section 1250 property as of the beginning of January 1, 1960, is \$100,000. During the taxable year ending on December 31, 1960, the only additions to the capital account for the property are addition A on March 10, 1960, costing \$1,200 and addition B on September 16, 1960, costing \$1,400. Since the sum of the additions (\$2,600) exceeds the greater of \$2,000 and 1 percent of unadjusted basis (\$1,000, that is, 1 percent of \$100,000), each addition is an improvement under the 1-year-test of paragraph (c)(3) of this section. Assume that the 36-month test of paragraph (c)(4) of this section is satisfied and, therefore, each addition is a separate improvement treated as an element.

(ii) Since each element is less than \$2,000, the provisions of this paragraph apply. Since there are 366 days in 1960, the middle of the year is at the end of 183 days, or July 1. Thus, that first day of a calendar month in 1960, which is the closest first day (of a calendar month) to the middle of the taxable year, is July 1, 1960. Accordingly, for purposes of computing applicable percentage, elements A and B are each treated as placed in service on July 1, 1960.

[F.R. Doc. 66-5191; Filed May 11, 1966; 8:48 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[43 CFR Subpart 1727]

DESIGNATION OF AREAS AND SITES

Notice of Proposed Rule Making

Basis and purpose. Notice is hereby given that it is proposed to add a new Subpart 1727, Designation of Areas and Sites, to Part 1720, Programs and Objectives, Subchapter A, Chapter II, Title 43, Code of Federal Regulations, as set forth below. This subpart defines the circumstances and procedures under which specific areas of public or other Federal land exclusively administered by the Secretary of the Interior through the Bureau of Land Management may be designated.

It is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rule making process. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendments to the Bureau of Land Management, Washington, D.C., 20240, within 30 days of the date of publication of this notice in the *FEDERAL REGISTER*.

Part 1720 is amended to add a new Subpart 1727 to read as follows:

Subpart 1727—Designation of Areas and Sites

§ 1727.0-1 Purpose.

This subpart defines the circumstances and procedures under which specific areas of public and other Federal lands exclusively administered by the Secretary of the Interior through the Bureau of Land Management may be designated and identified.

§ 1727.0-2 Objective.

The objective is to provide guidelines for the designation and identification of such areas, and to specify the nature and effect of such designations.

§ 1727.0-3 Authority.

(a) Section 1(b)(1) of the Classification and Multiple Use Act of September 19, 1964 (78 Stat. 986, 43 U.S.C. 1411) provides that none of the public or other Federal lands exclusively administered by the Secretary of the Interior through the Bureau of Land Management shall be given a designation or classification unless such designation or classification is authorized by statute or defined in regulations promulgated by the Secretary of the Interior. Classifications are described in Part 2410 of this chapter.

(b) Section 2478 of the Revised Statutes, as amended (43 U.S.C. 1201), authorizes the Secretary of the Interior to enforce and carry into execution, by appropriate regulation, every part of the provisions of the public land laws not otherwise specially provided for.

§ 1727.0-5 Definitions.

(a) "Designation" refers to the official identification and naming of a general area or site on public land or other Federal land exclusively administered by the Secretary through the Bureau of Land Management.

§ 1727.1 Areas or sites that may be designated.

(a) No lands may be designated under the regulations in this subpart unless they are either (1) classified for retention for multiple use management under the regulations and criteria in Part 2410 of this chapter, or (2) withdrawn or reserved under the regulations in Subpart 2311 of this chapter or other appropriate authority, or (3) given special status by act of Congress such as the reconstituted Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands or lands acquired under the Bankhead-Jones Act and transferred to the Bureau of Land Management for administration.

(b) The following types of areas and sites may be designated under the regulations in this subpart:

(1) *Recreation lands.* A tract of land usually several thousand acres in size where recreation is or is expected to be a major use, and designation will assist the public by making the areas known to them. Some examples of areas which may be designated as recreation lands follow: Scenic areas of natural beauty such as waterfalls; habitat of interest-

ing, rare or unusual plants or animals; gorges; natural lakes; geological areas of outstanding structural or historical features of the earth's development such as caves, glaciers and other phenomena; roadless areas in which the primitive environment is preserved, sometimes referred to as wilderness, wild, primitive, roadless or virgin areas. Recreation lands will contain one or more of the six classes adopted by the Bureau of Outdoor Recreation. These classes will be identified and described at the time an area is designated. These lands may be defined briefly as follows:

(i) *Class I—High-density recreation areas.* Areas intensively developed and managed for mass use.

(ii) *Class II—General outdoor recreation areas.* Areas subject to substantial development for a wide variety of specific recreation uses.

(iii) *Class III—Natural environment areas.* Varied and interesting land forms, lakes, streams, flora, and fauna within attractive natural settings suitable for recreation in a natural environment and usually in combination with other uses.

(iv) *Class IV—Outstanding natural areas.* Areas of outstanding scenic splendor, natural wonder, or scientific importance that merit special attention and care in management to insure their preservation in their natural condition. These usually are relatively undisturbed, representative of rare botanical, geological, or zoological characteristics of principal interest for scientific and research purposes.

(v) *Class V—Primitive areas.* Extensive natural, wild, and undeveloped areas and settings essentially removed from the effects of civilization. Essential characteristics are that the natural environment has not been disturbed by commercial utilization and that the areas are without mechanized transportation.

(vi) *Class VI—Historic and cultural sites.* Sites of major historical or cultural significance, either national, regional, or local. These are usually small tracts of lands containing significant evidence of American history, such as battlefields, mining camps, cemeteries, pioneer trails, and trading posts; or lands which contain significant evidence of prehistoric life such as pictographs, petroglyphs, burial grounds, prehistoric structures, middens, fossils, paleontological remains, and any other evidences of prehistoric life forms.

(2) *Recreation sites.* These are relatively small tracts of land which have value for concentrated and intensive recreation use that usually requires construction and maintenance of public facilities. Recreation sites will contain Class I, II, III, or VI recreation lands under the Bureau of Outdoor Recreation classification system described in subparagraph (1) of this paragraph.

(3) *Resource conservation areas.* These are relatively small areas of land which include a variety of resource management activities demonstrating multiple use and sustained yield conservation in action.

§ 1727.2 Standards for names.

(a) To the fullest extent possible, standards established by the Board on Geographic Names will be followed in naming special management areas.

(b) First preference will generally be given to a geographic feature within the site or area if the feature significantly affects the utilization of the natural resources of the area.

(c) No site or area will be named after a living person. An area may be named after a deceased person if that person made a personal contribution to the utilization or management of the natural resources in the area.

(d) For public identification purposes, names of sites and areas designated in accordance with the regulations in this subpart shall be brief and descriptive.

§ 1727.3 Standards for identification.

Lands designated in accordance with the regulations in this subpart may be—

(a) Posted by means of entrance and boundary signs sufficient to make the lands and the reason for posting known on the ground.

(b) Identified on maps or diagrams sufficient to make the existence and locations known to the general public.

§ 1727.4 Procedure for designating areas and sites.

The sites and areas defined under § 1727.1 may be designated, named, and posted by the authorized officer, after consultation and coordination with the authorized users and any other parties, organizations, and units of government which may have an interest in such action.

§ 1727.5 Effect of designations.

(a) Designation under this section will have no effect upon established use or management of the areas or sites involved.

(b) If changes in the status of the land or use arrangements are desired, such changes must be accomplished by—

(1) Segregation under the Classification and Multiple Use Act regulations in Part 2410 of this chapter;

(2) Withdrawal or reservation under regulations in Subpart 2311 of this chapter or other appropriate authority;

(3) Modification of existing use arrangements, to the extent authorized by existing authority and regulations, such as Subchapter D—Range Management (4000) of this chapter for livestock grazing.

HARRY R. ANDERSON,

Assistant Secretary of the Interior.

MAY 6, 1966.

[F.R. Doc. 66-5161; Filed, May 11, 1966; 8:46 a.m.]

[43 CFR Subpart 2221]**SATISFACTION OF SCRIP****Notice of Proposed Rule Making**

Basis and purpose. Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior

by Revised Statute 2478 (43 U.S.C. 1201), it is proposed to amend 43 CFR Subpart 2221 as set forth below. The purpose of the amendment is to implement the provisions of the Act of August 31, 1964 (78 Stat. 751) by providing procedures for the satisfaction of scrip.

Interested persons may submit written comments, suggestions, or objections with respect to the proposed amendments to the Bureau of Land Management, Washington, D.C., 20240, within 30 days of the date of publication of this notice in the FEDERAL REGISTER.

1. Sections 2221.01, 2221.02, 2221.05, 2221.06, 2221.07, and 2221.08 are added to the regulations to read as follows:

§ 2221.01 Purpose.

The purpose of the regulations in this subpart is to provide procedures for the orderly satisfaction and retirement of outstanding valid scrip, lieu selection, and similar rights, consistent with the public land laws governing such rights, including the Act of August 31, 1964 (78 Stat. 751). This Act provides that all claims and holdings recorded under the Act of August 5, 1955 (69 Stat. 534, 535) which are not satisfied by methods provided by the Act shall become null and void January 1, 1970, except for soldiers' additional homestead claims which shall become null and void on January 1, 1975.

§ 2221.02 Objectives.

The program of the Secretary of the Interior is to encourage the early satisfaction of all outstanding valid scrip consistent with the Act of August 31, 1964.

§ 2221.05 Definitions.

For the purposes of this subpart:

(a) "Claim" means all valid and unsatisfied claims and holdings recorded under the Act of August 5, 1955 (69 Stat. 534, 535).

(b) "Value" means fair market value, as determined by the Secretary or his delegate.

§ 2221.06 Validity.

No transaction for the satisfaction of a claim, whether by cash or conveyance of land, shall be consummated unless and until the authorized officer determines that the scrip is valid.

§ 2221.07 Classification.

(a) When lands are classified pursuant to section 3 of the Act of August 31, 1964, for satisfaction of scrip, the classification order will specify the type or types of claims which may be exchanged for the classified lands.

(b) Unless sooner terminated by the authorized officer, any classification, pursuant to section 3 of the Act of August 31, 1964, will terminate on December 31, 1969, except that classification of land for soldiers' additional homestead claims will terminate December 31, 1974.

(c) Land and interests in land may be classified for satisfaction of claims only if they are suitable for claim satisfaction under the terms of the authority establishing the claim and under the provisions of other applicable laws.

(d) Lands classified for the satisfaction of claims will be segregated from all

appropriations, including locations under the mining laws, except as provided in the order of classification or in any modification or revision thereof.

(e) In satisfaction of applications filed on and after July 1, 1966, each claimant is entitled to receive land in tracts having a value per acre no less than the following:

(1) For soldiers' additional homestead, Isaac Crow and Merritt W. Blair claims, \$250;

(2) For Valentine, Sioux Half Breed, Wyandotte, Porterfield, Gerard, McKee, and railroad lieu selection claims, \$1,270;

(3) For forest lieu selection claims, \$275.

(f) Hereafter, no tract of land will be classified as suitable for disposition in satisfaction for claims if the value per acre of the tract exceeds the following:

(1) For soldiers' additional homestead, Isaac Crow and Merritt W. Blair claims, \$275;

(2) For Valentine, Sioux Half Breed, Wyandotte, Porterfield, Gerard, McKee, and railroad lieu selection claims, \$1,400;

(3) For forest lieu selection claims, \$300.

(g) Claimants may submit recommendations of areas to be classified for satisfaction of claims, specifying the type of claim for which the land should be classified. Recommendations should be sent to the State Director, Bureau of Land Management, of the State in which the recommended lands are located (see § 1821.2-1 of this chapter).

2. Section 2221.2 is revised in its entirety to read as follows:

§ 2221.2 Procedures to satisfy scrip.**§ 2221.2-1 Application.**

(a) Every application to satisfy a claim must be made on a form approved by the Director, properly executed. Prior to July 1, 1966, every application other than for land in Alaska must be accompanied by a petition for classification on a form approved by the Director.

(b) On and after July 1, 1966, applications to satisfy claims by the conveyance of public lands will not be accepted, will not be considered as filed, and will be returned to the applicant unless the lands sought have previously been classified as suitable for satisfaction of claims.

(c) If all else is regular the application first received for a tract of land will be entitled to priority, whether delivery was by mail or otherwise. Where applications are received simultaneously, a drawing will be held to determine priority, except that where applications are received simultaneously through the mails, the one bearing the earliest postmark is entitled to priority.

(d) All applications filed pursuant to this section must be accompanied by an application service fee of \$10, which will not be returnable.

§ 2221.2-2 Offers of land by Bureau of Land Management.

(a) After classification of land pursuant to section 3 of the Act of August 31,

1964, the authorized officer will, by certified mail, offer each claimant sufficient land to satisfy his claim, from among the lands classified as suitable for satisfaction of the type of claim he holds.

(b) Notice of acceptance of an offer must be submitted to the State Director, Bureau of Land Management, of the State within which the offered land is located, within 60 days of the date the offer was mailed.

§ 2221.2-3 Election to receive cash.

(a) Any time up to and including December 31, 1969, or in the case of soldiers' additional homestead claims, December 31, 1974, a claimant may elect, by written notice to the Director, Bureau of Land Management, to receive cash instead of land in satisfaction of his claim.

(b) Payments will be made at a rate equal to the value per acre of the lands offered under section 4 of the Act of August 31, 1964, for claims of the type being satisfied.

§ 2221.2-4 Notice; publication; proof.

Applicants for land in satisfaction of scrip will be required upon demand to publish once a week for four consecutive weeks in accordance with § 1824.4 of this chapter, at their expense, in a designated newspaper and in a designated form, a notice informing all interested persons of the opportunity to file in the appropriate office their objections to the use of such land in satisfaction of claims. A protestant must serve on the applicant a copy of the objections and furnish evidence of such service. Proof of publication must be filed in accordance with § 1824.9-3 of this chapter.

HARRY R. ANDERSON,
Assistant Secretary of the Interior.

MAY 6, 1966.

[F.R. Doc. 66-5166; Filed, May 11, 1966;
8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 1133 I]

[Docket No. AO 275-A13]

MILK IN INLAND EMPIRE MARKETING AREA

Notice of Hearing on Proposed Amendments to Tentative Market- ing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at the Ridpath Hotel, West 515 Sprague, Spokane, Wash., beginning at 10 a.m., local time, on May 17, 1966, with respect to proposed amendments to the tentative marketing agreement and to the order, regulating the handling of milk in the Inland Empire marketing area.

The public hearing is for the purpose of receiving evidence with respect to the economic and emergency marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by Spokane Milk Producers Association:

Proposal No. 1. Revise § 1133.12(c) to provide that the diversion limitations for the months of April, May, June, and July be set at 35 percent.

Proposed by the Dairy Division, Consumer and Marketing Service:

Proposal No. 2. Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator James A. Burger, N. 811 Jefferson Street, Spokane, Wash., 99201, or from the Hearing Clerk, Room 112-A, Administration Building, U.S. Department of Agriculture, Washington, D.C., 20250, or may be there inspected.

Signed at Washington, D.C., on May 9, 1966.

CLARENCE H. GIRARD,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 66-5195; Filed, May 11, 1966;
8:49 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 246 I]

[Economic Regs. Docket No. 17305]

REPORTS OF STOCK OWNERSHIP OF AFFILIATES OF AIR CARRIERS

Notice of Proposed Rule Making

MAY 9, 1966.

Notice is hereby given that the Civil Aeronautics Board has under consideration a proposed amendment of Part 246 (14 CFR Part 246), which will more precisely designate the persons of whom reports are required under the part.

The principal features of the proposed amendments are set forth in the Explanatory Statement below, and the text of the proposed amendments is also set forth below. This action is taken under authority of sections 204 and 407 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 766; 49 U.S.C. 1324, 1327.

Interested persons may participate in this rule making proceeding through submission of ten (10) copies of written data, views, or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C., 20428. All relevant material in communications received on or before June 13, 1966, will be considered by the Board before taking final action on the proposed rule. Upon receipt by the

Board, copies of such communications will be available for examination by interested persons in the Docket Section of the Board, Room 710, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

Explanatory Statement. Under sections 407(a) and 407(e) of the Federal Aviation Act of 1958, as amended, the Board, inter alia, is authorized to require reports of persons indirectly or directly controlling an air carrier and of affiliates. In accordance with this authority, the Board promulgated Part 246 of its economic regulations requiring such reports. Some difficulty has been experienced in administering the regulation because of the absence of clear guidelines as to the extent of the interest owned in an air carrier which could be deemed to constitute prima facie control of the carrier. In order to eliminate these difficulties, it is proposed to amend the part so that persons owning 10 percent or more of the stock of the air carrier shall be deemed to control such carrier in the absence of a showing that they do not in fact control the air carrier.

The part is also proposed to be amended to require the filing of additional information concerning the corporations and persons named in the report, other than the air carrier. As to the individuals, information is required concerning their principal occupation, and as to corporations, certain information concerning their business activities. This information is required to ascertain whether the controlling person is engaged in a phase of aeronautics or is otherwise subject to the Board's jurisdiction under section 408 of the Act.

Proposed rule. It is proposed to amend Part 246 of the economic regulations (14 CFR Part 246) as follows:

1. Amend § 246.1 by adding a sentence to the end thereof so that the section reads as follows:

§ 246.1 Definition.

For the purposes of this part a person shall be deemed to be an affiliate of an air carrier if it has direct or indirect control over such air carrier, or if it has the power to exercise control over such air carrier. A person who owns, directly or indirectly, 10 percent or more of the outstanding issued capital stock of an air carrier, in the absence of a proper showing to the Board that he does not control the air carrier despite his stock ownership, shall be deemed to control the carrier for purposes of this part.

2. Amend § 246.2 by changing the introductory paragraph and by adding a new paragraph (c) thereto so that the amended section will read as follows:

§ 246.2 Stock reports.

Except as provided in § 246.3, every affiliate of an air carrier shall submit on or before March 1 of each year:

• • • • •

(c) For each person or company named in the report, including the affiliate but excluding the air carrier:

(1) A description of the principal occupation of each individual.

(2) A description of the business activities of each company, including, with respect to any company performing common carrier services, the geographical area authorized to be served, and the nature of any licenses held by such company to perform such services.

[F.R. Doc. 66-5192; Filed, May 11, 1966; 8:49 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 71]

[Airspace Docket No. 66-CE-32]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Agency is considering an amendment to Part 71 of the Federal Aviation Regulations which would alter controlled airspace at Rhinelander, Wis.

The following controlled airspace is presently designated in the Rhinelander, Wis., terminal area:

(1) The Rhinelander, Wis., control zone is designated as that airspace within a 5-mile radius of Oneida County Airport, Rhinelander, Wis. (latitude 45°37'53" N., longitude 89°27'40" W.); and within 2 miles each side of the Rhinelander VOR 321° radial extending from the 5-mile radius zone to 8 miles NW of the VOR; and within 2 miles each side of the Rhinelander VOR 228° radial, extending from the 5-mile radius zone to 8 miles SW of the VOR; and within 2 miles each side of the 231° bearing from Oneida County Airport extending from the 5-mile radius zone to 8 miles SW of the airport. This control zone shall be effective during the times established by a Notice to Airmen and continuously published in the Airman's Information Manual.

(2) The Rhinelander, Wis., transition area is designated as that airspace extending upward from 700 feet above the surface within a 5-mile radius of Oneida County Airport, Rhinelander, Wis. (latitude 45°37'53" N., longitude 89°27'40" W.); and within 2 miles each side of the Rhinelander VOR 321° radial extending from the 5-mile radius area to 8 miles NW of the VOR; and within 2 miles each side of the 231° bearing from Oneida County Airport extending from the 5-mile radius area to 8 miles SW of the airport; and within 5 miles W and 8 miles E of the Rhinelander VOR 163° radial extending from the VOR to 17 miles S of the VOR; and within a 5-mile radius of Drott Airport, Tomahawk, Wis. (latitude 45°30'45" N., longitude 89°33'35" W.); and that airspace extending upward from 1,200 feet above the surface within a 12-mile radius of Rhinelander VOR.

The Rhinelander VOR has been converted to a VORTAC and the public instrument approach procedures for

Oneida County Airport have been modified to take advantage of the DME capability at Rhinelander. In addition, the special instrument approach procedure, VOR No. 1, Amendment No. 1, is being canceled. As a result, and having completed a comprehensive review of airspace requirements at Rhinelander, Wis., the Federal Aviation Agency proposes to alter the control zone and transition area at Rhinelander, Wis., as follows:

(1) Redesignate the Rhinelander, Wis., control zone as the airspace within a 5-mile radius of Oneida County Airport, Rhinelander, Wis. (latitude 45°37'56" N., longitude 89°27'32" W.); within 2 miles each side of the Rhinelander VOR 229° radial, extending from the 5-mile radius zone to 8 miles SW of the VOR; and within 2 miles each side of the Rhinelander VOR 322° radial, extending from the 5-mile radius zone to 8 miles NW of the VOR. This control zone shall be effective during the specific dates and/or times established in advance by a Notice to Airmen and continuously published in the Airman's Information Manual.

(2) Redesignate the Rhinelander, Wis., transition area as that airspace extending upward from 700 feet above the surface within a 5-mile radius of Oneida County Airport, Rhinelander, Wis. (latitude 45°37'56" N., longitude 89°27'32" W.); within 2 miles each side of the Rhinelander VOR 229° radial, extending from the 5-mile radius area to 8 miles SW of the VOR; within 2 miles each side of the Rhinelander VOR 322° radial, extending from the 5-mile radius area to 8 miles NW of the VOR; within a 5-mile radius of Drott Airport, Tomahawk, Wis. (latitude 45°30'45" N., longitude 89°33'35" W.); and within 2 miles each side of the Rhinelander VOR 211° radial, extending from the Drott Airport 5-mile radius area to the VOR; and that airspace extending upward from 1,200 feet above the surface within a 17-mile radius of Rhinelander VOR.

The altered proposed control zone would provide controlled airspace protection for aircraft executing the prescribed public instrument approach procedures at Oneida County Airport during descent below 1,000 feet above the surface and for departing aircraft during climb to 700 feet above the surface. Weather reporting service for this control zone will continue to be provided by North Central Airlines.

The altered proposed 700-foot floor transition area would provide controlled airspace protection for aircraft departing Drott Airport during climb from 700 to 1,200 feet above the surface. It would provide this same protection for aircraft departing Oneida County Airport when the control zone is not designated. The 700-foot floor transition area would provide controlled airspace protection for aircraft executing the prescribed instrument approach procedure for Drott Airport during descent from 1,500 to 700 feet above the surface. This same protection would be provided for aircraft at Oneida County Airport when the control zone is not designated.

The altered proposed 1,200-foot floor transition area would provide controlled airspace protection for the procedure turn, DME arc and missed approach areas of the prescribed instrument approach procedures at Oneida County and Drott Airports. It would also provide controlled airspace for the holding patterns at the Rhinelander VOR.

Since the actions proposed herein were developed to accommodate revised procedures, no procedural changes will be effected.

The floors of the airway segments which would be within the boundaries of the transition areas proposed herein would automatically coincide with the floors of the transition areas.

Specific details of this proposal and the procedures for which it was developed may be examined by contacting the Chief, Airspace Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The Public Docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued at Kansas City, Mo., on May 2, 1966.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 66-5183; Filed, May 11, 1966; 8:48 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 66-SO-29]

CONTROL ZONE AND TRANSITION AREA

Proposed Designation and Alteration

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations that would designate a part-time control zone and

alter the transition area at Greenville, Miss.

The control zone would be designated as that airspace within a 5-mile radius of the Greenville Municipal Airport (latitude 33°29'05" N., longitude 90°59'06" W.); within 2 miles each side of the Greenville VOR 358° radial extending from the 5-mile radius zone to 8.5 miles north of the VOR, effective from 0700 to 2000 hours, local time, daily.

The transition area would be redesignated as that airspace extending upward from 700 feet above the surface within an 8-mile radius of the Greenville Municipal Airport (latitude 33°29'05" N., longitude 90°59'06" W.); within 2 miles each side of the Greenville VOR 358° radial, extending from the 8-mile radius area to 8 miles north of the VOR; and that airspace extending upward from 1,200 feet above the surface within 8 miles west and 5 miles east of the Greenville VOR 178° and 358° radials extending from 12 miles north to 4 miles south of the VOR.

The proposed control zone would provide controlled airspace for aircraft departing Greenville Municipal Airport during climb to 700 feet above the surface and for aircraft executing the prescribed instrument approach procedure during descent below 1,000 feet above the surface.

Required weather observation and reporting functions will be provided by appropriately certificated employees of Southern Airways, Inc. Radio capabilities exist which permit pilots to communicate with the Greenwood, Miss., Flight Service Station and with the Memphis ARTC Center. Telephone communications connecting the Memphis Center, Greenwood FSS, and the various offices at Greenville Municipal Airport are in existence.

The Greenville, Miss., transition area (31 F.R. 2149) is described, in part, as " * * * within 2 miles each side of the Greenville VOR 006° radial * * * " and " * * * within 8 miles west and 5 miles east of the Greenville VOR 006° and 186° radials * * * ". Because the prescribed approach procedure is predicated on the 358° and 178° radials, it is necessary that the transition area be amended accordingly.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Area Manager, Memphis Area Office, Attention: Chief, Air Traffic Branch, Federal Aviation Agency, Post Office Box 18097, Memphis, Tenn., 38118. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Chief, Air Traffic Branch. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in

this notice may be changed in the light of comments received.

The official docket will be available for examination by interested persons at the Southern Regional Office, Federal Aviation Agency, Room 724, 3400 Whipple Street, East Point, Ga.

These amendments are proposed under section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)).

Issued in East Point, Ga., on May 4, 1966.

WILLIAM M. FLENER,
Acting Director, Southern Region.

[F.R. Doc. 66-5184; Filed, May 11, 1966;
8:48 a.m.]

[14 CFR Part 105]

[Docket No. 6762; Notice 66-18]

REQUIREMENTS FOR PARACHUTE JUMPING

Notice of Proposed Rule Making

The Federal Aviation Agency is considering amending Part 105 of the Federal Aviation Regulations (1) to require authorization for all nonemergency parachute jumps in or into controlled airspace (instead of notification where presently required), (2) to require notification of these jumps in uncontrolled airspace, (3) to require a functioning two-way radio communications system in the jump aircraft appropriate to the ATC facilities to be used, within controlled airspace, and (4) to prohibit making a parachute jump within 8 hours after the consumption of any alcoholic beverage.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the regulatory docket or notice number and be submitted in duplicate to the Federal Aviation Agency, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C., 20553. All communications received on or before August 10, 1966, will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

On September 7, 1965, advance notice of proposed rule making and notice of public hearing (Notice 65-23) was issued inviting the views of all interested persons on certain requests for rule making presented by two associations, one representing air carriers and the other representing airline pilots. Those proposals principally would prohibit nonemergency parachute jumps within federally controlled airspace and in or into approved off-airways routes outside of controlled airspace and would require notification of jumps in or into uncontrolled airspace (other than approved off-airways routes) and two-way radio and contact with the ATC facilities used.

At the public hearing held on November 4, 1965, views were expressed both for and against those proposals. The arguments in their favor were that (1) nonemergency jumping activity under the existing regulations, now reaching great volume, that allows a parachutist to jump through holding patterns, departure and arrival routes, and other areas of high aircraft activities in the air traffic control system, with only broad general notification to the FAA, creates a potentially hazardous situation to airline and other air traffic; and (2) the only solution is to restrict this type of activity to airspace areas where no potential hazard can exist to aircraft, that is, away from controlled airspace and approved off-airways routes outside of controlled airspace. Reference was made to several recorded "near-miss" incidents involving parachutists and aircraft but without known injuries or fatalities. In addition, one of the proposals submitted generally that if a parachutist is to use controlled airspace he should do so under the same rules as other users who cannot be seen, and that ATC clearance should be required of the pilot of the jump aircraft to assure that altitudes below are clear of conflicting IFR traffic. This would be no undue burden, it was submitted, requiring only "two-way radio and contact with ATC, and FSS or even via Unicom and telephone."

It was argued against those proposals that no evidence has been developed to indicate a hazard results from parachuting activity, that is an important part of American aviation.

Other persons, who did not endorse the restrictive approach of those proposals, recognize that refinement of several provisions of Part 105 might be desirable.

The positions of all persons who filed comments in response to Notice 65-23 or appeared at the Public Hearing, and all other available data, have been evaluated, and rule making now is proposed as follows:

(1) *To require functioning two-way radio communications system in the jump aircraft appropriate to the ATC facilities to be used, within controlled airspace, unless otherwise authorized by ATC.* Under Part 105 presently, there is a gap in knowledge relating to the probability of a jump or series of jumps taking place when a pilot passes through a jumping location identified by notification procedures and dissemination of information thus obtained. Ability to supply useful, timely information depends on ability to communicate. It appears that within controlled airspace two-way communications between the jump aircraft and ATC facilities is necessary to provide this information, unless ATC determines that in a particular situation other communications prior to the flight are appropriate. In the latter case, ATC would apply proper time limits to any authorization given.

(2) *To require authorization for all nonemergency parachute jumps in or into controlled airspace, instead of notification where presently required under Part 105.* In view of the need to close the gap in knowledge and to allow the

imposition of proper time limits, notification alone is not adequate in controlled airspace. Notification must be followed by ATC authorization, following determination by ATC that the information and arrangements for communications are satisfactory with respect to the time and place of contemplated jumps. These proposals therefore would require ATC authorization given upon request made at least 6 (but not more than 24) hours before the jumping activity is to begin. If a series of jumps is contemplated rather than a single jump, a single request and authorization would suffice. In this connection, the proposed amendments would provide that (in controlled airspace other than that covered by § 105.19) request for authorization would be submitted to the nearest FAA air traffic control facility or FAA flight service station instead of to the "FAA air route traffic control center having jurisdiction over the area or segment concerned," as now appears in § 105.21. This change would clarify that the request need not be made directly to the control center.

(3) To require notification of parachute jumps in or into uncontrolled airspace. Notice is not now required under Part 105 for parachute jumps in or into uncontrolled airspace. This airspace is traversed by a number of approved air carrier off-airways routes. Information about parachute jumping activities in these areas would contribute added safety factors to the joint use of the airspace by parachute jumpers and aircraft otherwise operated in air commerce. However, it is impractical to publish and chart approved off-airways routes, and there are other joint use airspace airways areas where the amount of traffic warrants the application of added safety factors reasonably obtained. These ends will be best served by requiring notice, to the nearest FAA air traffic control facility or flight service station, of the jumping activity at least 6 (but not more than 24) hours before the time it is to begin. As in the case of ATC authorizations, if a series of jumps is contemplated rather than a single jump, a single notification would suffice.

These proposals also would require notification of cancellation of any contemplated jumping activity for which authorization has been requested or notification given.

In connection with these changes, it also is proposed that additional information on the size of the jumping site or drop zone be required in the request for ATC authorization or in the notification.

It should be noted that the term "authorization" as used in the revised provisions, as well as in §§ 105.19 and 105.27, must not be confused with formal written applications submitted to Flight Standards District Offices for certificates of authorization required for jumps over or into congested areas.

On November 3, 1965, the Agency issued Notice 65-34, published in the FEDERAL REGISTER on November 10, 1965 (30 F.R. 14170), proposing the amendment of Part 91 to provide that no person may act as a crewmember of a civil aircraft within 8 hours after the consumption of any alcoholic beverage. Section 105.35 currently contains the same prohibitions concerning liquor and drugs with respect to a parachutist as § 91.11 contains with respect to a crewmember. These proposals would incorporate in Part 105 the 8-hour rule proposed by Notice 65-34, in order to retain conformity between the two parts in this area.

In consideration of the foregoing, it is proposed to amend Part 105 of the Federal Aviation Regulations as follows:

1. By inserting the following new section after § 105.13:

§ 105.14 Radio equipment requirements.

Unless otherwise authorized by ATC—

(a) No person may make a parachute jump, and no pilot in command of an aircraft may allow a parachute jump to be made from that aircraft, within controlled airspace, unless the aircraft is equipped with a functioning two-way radio communications system appropriate to the ATC facilities to be used.

(b) The pilot in command of an aircraft used in any jumping activity shall, during the entire activity, have a continuous watch maintained on the appropriate frequency of the aircraft's radio communications system.

(c) If any radio communications system failure occurs in an aircraft to be used for a jumping activity in controlled airspace, before receipt of an authorization required under § 105.19 or § 105.21, the person seeking authorization shall abandon the jumping activity.

2. By amending §§ 105.21, 105.23, and 105.25 to read as follows:

§ 105.21 Jumps in or into other controlled airspace.

(a) No person may make a parachute jump or series thereof, and no pilot in command of an aircraft may allow a parachute jump or series thereof to be made from that aircraft, in or into controlled airspace (other than a control zone in which there is a functioning control tower operated by the United States) without, or in violation of, an authorization given under this section.

(b) Each request for an authorization given under this section must be submitted to the nearest FAA air traffic control facility or FAA flight service station at least 6 hours, but not more than 24 hours, before the parachute jump or series thereof is to be made and must include the information prescribed in § 105.25(a).

§ 105.23 Jumps in or into uncontrolled airspace.

No person may make a parachute jump or series thereof, and no pilot in com-

mand of an aircraft may allow a parachute jump or series thereof to be made from that aircraft, in or into uncontrolled airspace unless the nearest FAA air traffic control facility or FAA flight service station was notified of that jump or series at least 6 hours, but not more than 24 hours, before the parachute jump or series thereof is to be made and the notice contained the information prescribed in § 105.25(a).

§ 105.25 Information required, and notice of cancellation of jump.

(a) Each person requesting an authorization under § 105.19 or § 105.21, and each person submitting a notice under § 105.23, must include the following information in that request or notice:

(1) The date and time jumping will begin.

(2) The location of the jump site or drop zone in relation to the nearest city or town, and airport, and the size of the jump site or drop zone expressed in nautical mile radius of the jump space around the target.

(3) The altitudes above the surface at which jumping will take place.

(4) The time and duration of the intended jumping.

(5) The name, address, and telephone number of the person requesting the authorization or giving notice.

(6) The identification of the aircraft to be used.

(7) The radio frequencies available in the aircraft.

(b) Each person requesting an authorization under § 105.19 or § 105.21, and each person submitting a notice under § 105.23, must promptly notify the FAA air traffic control facility or FAA flight service station from which it requested authorization or which it notified, if the proposed jumping activity is cancelled.

3. By amending § 105.35 to read as follows:

§ 105.35 Alcoholic beverages and drugs.

(a) No person may make a parachute jump while, and no pilot in command of an aircraft may allow a person to make a parachute jump from that aircraft if that person appears to be—

(1) Under the influence of alcohol; or

(2) Using any drug that affects his faculties in any way contrary to safety.

(b) No person may make a parachute jump within 8 hours after the consumption of any alcoholic beverage.

These amendments are proposed under the authority of sections 307, 313(a), and 601 of the Federal Aviation Act of 1958 (49 U.S.C. 1348, 1354, 1421).

Issued in Washington, D.C., on May 6, 1966.

JAMES F. RUDOLPH,
Acting Director,
Flight Standards Service.

[F.R. Doc. 66-5152; Filed, May 11, 1966; 8:45 a.m.]

Notices

INTERSTATE COMMERCE COMMISSION

[Notice 917]

MOTOR CARRIER, BROKER, WATER CARRIER AND FREIGHT FOR- WARDER APPLICATIONS

MAY 6, 1966.

The following applications are governed by Special Rule 1.247¹ of the Commission's general rules of practice (49 CFR 1.247), published in the *FEDERAL REGISTER*, issue of December 3, 1963, effective January 1, 1964. These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission within 30 days after date of notice of filing of the application is published in the *FEDERAL REGISTER*. Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest under these rules should comply with section 1.40 of the general rules of practice which requires that it set forth specifically the grounds upon which it is made and specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and six (6) copies of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or applicant if no representative is named. If the protest includes a request for oral hearing, such requests shall meet the requirements of § 1.247(d)(4) of the special rule. Subsequent assignment of these proceedings for oral hearing, if any, will be by Commission order which will be served on each party of record.

The publications hereinafter set forth reflect the scope of the applications as filed by applicants, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

No. MC 730 (Sub-No. 266), filed April 25, 1966. Applicant: PACIFIC INTERMOUNTAIN EXPRESS CO., a corporation, 1417 Clay Street, Post Office Box 958, Oakland, Calif., 94604. Applicant's representative: Alfred G. Krebs (same address as applicant). Authority sought

to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), (1) between St. Louis, Mo., on the one hand, and, on the other, Barstow, Riverside, and San Bernardino, Calif.; (a) From St. Louis over U.S. Highway 66 and Interstate Highway 44 to Oklahoma City, Okla., and thence over U.S. Highway 66 and Interstate Highway 40 to Barstow; (b) from St. Louis over U.S. Highway 66 and Interstate Highway 44 to Oklahoma City, Okla., thence over U.S. Highway 66 and Interstate Highway 40 to junction U.S. Highway 89, thence over U.S. Highway 89 to junction Arizona Highway 71, thence over Arizona Highway 71 to junction U.S. Highways 60 and 70, thence over U.S. Highways 60 and 70 to Quartzsite, Ariz., thence over U.S. Highway 60 and Interstate Highway 10 to Beaumont, Calif., and thence over Interstate Highway 10 to San Bernardino; (c) from St. Louis, over the route specified in (b) above, to Beaumont, Calif., and thence over U.S. Highway 60 to Riverside; (2) between Hutchinson, Kans., on the one hand, and, on the other, Barstow, Riverside, and San Bernardino, Calif.: From Hutchinson over Kansas Highway 61 to junction U.S. Highway 54, thence over U.S. Highway 54 to junction U.S. Highway 66 (also junction Interstate Highway 40), and thence as specified in (1) above to Barstow, Riverside, and San Bernardino; and (3) between Pueblo, Colo., on the one hand, and, on the other, Barstow, Riverside, and San Bernardino, Calif.: From Pueblo over U.S. Highways 85, 87, and 160, and Interstate Highway 25 to junction U.S. Highway 66 (also junction Interstate Highway 40), and thence as specified in (1) above to Barstow, Riverside, and San Bernardino, and return over the same routes, serving no intermediate point, but serving Pratt, Kans., in (2) above for purpose of joinder only, as alternate routes for operating convenience only, in connection with carrier's authorized regular route operations. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Denver, Colo.

No. MC 1222 (Sub-No. 27) (Amendment), filed April 6, 1966, published in *FEDERAL REGISTER* issue of April 28, 1966, amended April 29, 1966, and republished as amended this issue. Applicant: THE REINHARDT TRANSFER COMPANY, 1410 10th Street, Portsmouth, Ohio. Applicant's representative: Robert H. Kinker, 711 McClure Building, Frankfort, Ky., 40601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transport-

ing: (1) *Iron and steel and iron and steel articles*, as described in appendix V to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 (except commodities which by reason of their size or weight require the use of special equipment), from points in Putnam County, Ill., to points in Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, West Virginia, and Wisconsin, and, (2) *equipment, materials, and supplies used in the manufacture or processing of iron and steel and iron and steel articles*, from the destination points in (1) above to points in Putnam County, Ill. NOTE: The purpose of this republication is to broaden the authority sought, to show points in Putnam County in lieu of Hennepin, Ill. If a hearing is deemed necessary, applicant does not specify a location.

No. MC 2202 (Sub-No. 290), filed April 21, 1966. Applicant: ROADWAY EXPRESS, INC., 1077 Gorge Boulevard, Post Office Box 471, Akron, Ohio, 44309. Applicant's representative: William O. Turney, 2001 Massachusetts Avenue NW., Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving the plantsite of Koppers Co., Inc., located on Harmons Road, approximately 1 mile south of Friendship International Airport (near Baltimore, Md.), as an off-route point in connection with applicant's regular route operations between Greenville, S.C., and New York, N.Y. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 2202 (Sub-No. 292), filed April 25, 1966. Applicant: ROADWAY EXPRESS, INC., 1077 Gorge Boulevard, Post Office Box 471, Akron, Ohio, 44309. Applicant's representative: William O. Turney, 2001 Massachusetts Avenue NW., Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), between Wilmington, Del., and Pottstown, Pa., as follows: From Wilmington, over U.S. Highway 202 to junction U.S. Highway 322, thence over U.S. Highway 322 to junction Pennsylvania Highway 100, thence over Pennsylvania Highway 100 to Pottstown, and return over the same

¹ Copies of Special Rule 1.247 can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C., 20423.

route, serving no intermediate points, but serving junction U.S. Highway 30 and Pennsylvania Highway 100 for the purpose of joinder, as an alternate route for operating convenience only, in connection with carrier's presently authorized regular route operations. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 2593 (Sub-No. 12), filed April 24, 1966. Applicant: BAUMANN BROS. TRANSPORTATION, INC., Post Office Box 1524, Lincoln, Nebr. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Paint, paint materials, groceries, and grocery store supplies*, between points in Nebraska, and Sabetha and Smith Center, Kans. NOTE: Applicant states that no duplicating authority is sought herein. Applicant states that it will transport exempt commodities on return. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 8948 (Sub-No. 67), filed April 27, 1966. Applicant: WESTERN GILLETTE, INC., 2550 East 28th Street, Post Office Box 15274, Vernon Station, Los Angeles, Calif., 90058. Applicant's representative: Hugh T. Matthews, 630 Fidelity Union Tower, Dallas, Tex. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: *General commodities* (except classes A and B explosives (other than explosive, incendiary, gas, smoke, or tear producing ammunition), and except livestock, articles of unusual value, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), between Memphis, Tenn., and Dallas, Tex., as follows: From Memphis, over U.S. Highway 70 to junction U.S. Highway 67, thence over U.S. Highway 67 to Dallas, and return over the same route, serving no intermediate points, as an alternate route for operating convenience only, in connection with applicant's regular route operations. NOTE: If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex.

No. MC 13123 (Sub-No. 38), filed April 22, 1966. Applicant: WILSON FREIGHT COMPANY, a corporation, 3636 Follett Avenue, Cincinnati, Ohio, 45223. Applicant's representative: Milton H. Bortz (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Iron and steel, iron and steel articles, and brick*, between points in Putnam County, Ill., on the one hand, and, on the other, points in Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin, and the District of Columbia. NOTE: If a hearing

is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 13134 (Sub-No. 11), filed April 22, 1966. Applicant: PENNSYLVANIA-OHIO EXPRESS, INC., Post Office Box 266, Oak Hill, Ohio. Applicant's representative: Paul F. Beery, Columbus Center, 100 East Broad Street, Columbus, Ohio, 43215. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Refractories and refractory products*, between points in Audrain, Callaway, and Montgomery Counties, Mo., on the one hand, and, on the other, points in Illinois, Indiana, Michigan, Ohio, Kentucky, Pennsylvania, West Virginia, and New York. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 13134 (Sub-No. 12), filed April 25, 1966. Applicant: PENNSYLVANIA-OHIO EXPRESS, INC., Post Office Box 256, Oak Hill, Ohio. Applicant's representative: James M. Burtch, 100 East Broad Street, Columbus, Ohio, 43215. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Iron and steel, iron and steel products, and steel mill equipment, materials and supplies*, between points in Putnam County, Ill., on the one hand, and, on the other, points in Alabama, Arkansas, Colorado, Florida, Georgia, Indiana, Iowa, Illinois, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, Minnesota, Nebraska, North Dakota, New Mexico, Oklahoma, Ohio, South Dakota, Tennessee, Texas, Wisconsin, and Wyoming. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 20729 (Sub-No. 6), filed April 18, 1966. Applicant: FREDDIE AHRENSTORFF, doing business as AHRENSTORFF TRANSFER, Lake Park, Iowa. Applicant's representative: William A. Landau, 1307 East Walnut Street, Des Moines, Iowa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia*, in bulk, in tank vehicles, from Garner, Iowa, and points within 5 miles thereof, to points in Minnesota, Nebraska, North Dakota, South Dakota, and Wisconsin. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 29120 (Sub-No. 88), filed April 22, 1966. Applicant: ALL-AMERICAN TRANSPORT, INC., 1500 Industrial Avenue, Post Office Box 756, Sioux Falls, S. Dak., 57101. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading), between St. Paul, Minn., and Spencer, Iowa: From St. Paul, over Minnesota Highway 5 to junction U.S. Highway 65, thence over U.S. Highway 65 to junction U.S. Highway 16, thence over U.S. Highway 16 to junction U.S.

Highway 69 near Albert Lea, Minn., thence over U.S. Highway 69 to junction U.S. Highway 18, near Garner, Iowa, thence over U.S. Highway 18 to Spencer, and return over the same route, serving no intermediate points, and serving junction U.S. Highway 16 and U.S. Highway 65 for joinder only. NOTE: If a hearing is deemed necessary, applicant requests it be held at Sioux Falls, S. Dak.

No. MC 30237 (Sub-No. 11), filed April 25, 1966. Applicant: YEATTS TRANSFER COMPANY, a corporation, Post Office Box 406, Altavista, Va. Applicant's representative: Eston H. Alt, Post Office Box 81, Winchester, Va., 22601. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *New furniture*, from Altavista and Rocky Mount, Va., to points in Virginia. NOTE: Applicant states that the above proposed operation is restricted to shipments having a prior or subsequent movement to or from a point outside the State of Virginia. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Richmond, Va.

No. MC 30844 (Sub-No. 219), filed April 27, 1966. Applicant: KROBLIN REFRIGERATED XPRESS, INC., Post Office Box 5000, Waterloo, Iowa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Paper pads, tablets, and blank books*, not printed with or without pulp board covers, from Holyoke, Mass., to points in Illinois, Indiana, Iowa, Michigan, Ohio, and Pennsylvania. NOTE: If a hearing is deemed necessary, applicant requests it be held at Waterloo, Iowa.

No. MC 33641 (Sub-No. 58) (Correction), filed March 27, 1966, published FEDERAL REGISTER, issue of April 21, 1966, and republished as corrected, this issue. Applicant: IML FREIGHT, INC., 2175 South 3270 West Street, Post Office Box 2277, Salt Lake City, Utah, 84110. Applicant's representative: Marshall G. Berol, 100 Bush Street, San Francisco, Calif., 94104. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: *General commodities* (except classes A and B explosives, household goods as defined by the Commission, commodities in bulk (other than citrus fruits and agricultural commodities), commodities requiring special equipment (other than those requiring refrigeration or specialized handling or rigging because of size or weight), and the transportation of commodities in connection with which shipper requires carrier to furnish armed guards or armored equipment), between Los Angeles, Calif., and Kansas City, Mo.: (1) From Los Angeles, over Interstate Highway 10 (U.S. Highway 60) to junction U.S. Highways 60 and 70, thence over U.S. Highways 60 and 70 to junction Arizona Highway 71, thence over Arizona Highway 71 to junction U.S. Highway 89, thence over U.S. Highway 89 to junction U.S. Highway 89 Alternate, thence over U.S. Highway 89 Alternate to Flagstaff, Ariz., thence over Interstate Highway 40 (U.S. Highway 66) to junction U.S. High-

way 54 (near Tucumcari, N. Mex.), thence over U.S. Highway 54 to junction Kansas Highway 61, thence over Kansas Highway 61 to junction U.S. Highway 50, thence over U.S. Highway 50 to Kansas City; (2) from Los Angeles, over the route specified in (1) above to junction U.S. Highway 54 (near Tucumcari, N. Mex.), thence over U.S. Highway 54 to junction Interstate Highway 35, thence over Interstate Highway 35 to Kansas City; and (3) from Los Angeles, over the route specified in (1) above to junction U.S. Highway 54 (near Tucumcari, N. Mex.), thence over U.S. Highway 54 to junction Interstate Highway 35, thence over Interstate Highway 35 and Kansas Turnpike to junction Interstate Highway 70, thence over Interstate Highway 70 to Kansas City; and return over the same routes, serving no intermediate points, as alternate routes for operating convenience only, in connection with carrier's otherwise authorized operations. **NOTE:** The purpose of this republication is to show that applicant proposes to serve no intermediate points, inadvertently omitted from previous publication. If a hearing is deemed necessary, applicant requests it be held at Salt Lake City, Utah.

No. MC 41432 (Sub-No. 98), filed April 21, 1966. Applicant: EAST TEXAS MOTOR FREIGHT LINES, INC., 623 North Washington Avenue, Post Office Box 26040, Dallas, Tex., 75226. Applicant's representative: B. W. LaTourette, Jr., Suite 1230, Boatmen's Bank Building, St. Louis, Mo., 63102. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Ammunition* (explosive, incendiary, or gas, smoke, or tear producing), *manufactured ingredients and component parts of ammunition*, and *general commodities* (except those of unusual value, classes A and B explosives (other than ammunition and manufactured ingredients and component parts of ammunition, as specified), household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving the site of the Hussman Refrigerator Co. located at St. Charles Rock Road and Taussig Road, in St. Louis County, Mo., as an off-route point in connection with applicant's regular-route operations. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo.

No. MC 44875 (Sub-No. 1), filed April 21, 1966. Applicant: KNIGHT'S EXPRESS & WAREHOUSE, INC., 7 Ninigret Avenue, Providence, R.I., 02907. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise as is dealt in by retail department stores in retail delivery service*, from Pawtucket, Providence, and Warwick, R.I., to (1) points in Connecticut on and east of a line beginning at New Haven, Conn., thence north over U.S. Highway 5 to Hartford, Conn., thence north over U.S. Highway 91 to the Connecticut-Massachusetts State line, and (2) points in Massachusetts on, east, and south of a line beginning at the Connecticut-Massachusetts State line at U.S.

Highway 91, thence north over U.S. Highway 91 to junction U.S. Highway 90, thence east over U.S. Highway 90 to junction U.S. Highway 20, thence over U.S. Highway 20 to and including Boston, Mass., and thence east to the Atlantic Ocean. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Providence, R.I.

No. MC 51146 (Sub-No. 39), filed April 22, 1966. Applicant: SCHNEIDER TRANSPORT & STORAGE, INC., 817 McDonald Street, Green Bay, Wis. Applicant's representative: Charles Singer, 33 North La Salle Street, Chicago, Ill., 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plywood and plywood products, plywood and plywood products combined with veneer and plastics, paneling, doors, and composition wood and composition wood products*, from Marshfield, Wis., to points in North Dakota and South Dakota, and *material, equipment and supplies* used in the manufacture and distribution of the commodities described herein, and *returned shipments*, on return. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 52709 (Sub-No. 284) filed April 22, 1966. Applicant: RINGSBY TRUCK LINES, INC., 3201 Ringsby Court, Denver, Colo., 80216. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles* (except oil-field equipment, materials and supplies), between Pueblo, Minnequa, and Denver, Colo., on the one hand, and, on the other, points in California, Nevada, Oregon, Washington, and Utah. **NOTE:** Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Denver, Colo.

No. MC 52932 (Sub-No. 12), filed April 22, 1966. Applicant: NORTH PENN TRANSFER, INC., Box 230, Lansdale, Pa. Applicant's representative: John W. Frame, Post Office Box 626, 2207 Old Gettysburg Road, Camp Hill, Pa. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Tile* (except refractory tile), from Lansdale, Pa., to points in Connecticut, Pennsylvania, Delaware (except points in New Castle County), New York (except points in the New York, N.Y., commercial zone, as defined by the Commission), Virginia (except points in Virginia within the Washington, D.C., commercial zone, as defined by the Commission), and Maryland (except points in the Baltimore, Md., commercial zone, as defined by the Commission); and *articles used in the manufacture of the commodity specified above*, from the destination points specified above to Lansdale, Pa. **NOTE:** Applicant states that it already holds the authority specified above but seeks to eliminate the gateway of Richland Township, Pa. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 58961 (Sub-No. 7), filed April 20, 1966. Applicant: NIGHTHAWK FREIGHT SERVICE, INC., 1800 South Canal Street, Chicago, Ill., 60616. Applicant's representative: B. W. LaTour-

ette, Jr., Suite 1230, Boatmen's Bank Building, St. Louis, Mo., 63102. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, and except livestock, dangerous explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading), serving the plantsite of Hussmann Refrigerator Co., located at St. Charles Rock Road and Taussig Road, Bridgeton, St. Louis County, Mo., as an off-route point in connection with applicant's presently authorized regular route authority. **NOTE:** Applicant states that Hussmann Refrigerator Co. is in the process of relocating its plant and facilities from within the City of St. Louis, Mo., to the above plantsite and has requested carriers presently serving it in St. Louis, Mo., to request authority as above so as to be able to continue service at its new facility. If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo.

No. MC 59800 (Sub-No. 19), filed March 31, 1966. Applicant: THE WEICKER TRANSFER & STORAGE COMPANY, a corporation, 2900 Brighton Boulevard, Denver, Colo., 80217. Applicant's representative: Joseph F. Nigro, Denver Hilton Office Building, Room 400, 1515 Cleveland Place, Denver, Colo., 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (A) *Cement and cement products*, in bags or in bulk, and flyash, between points in Denver (including the City of Denver), Adams, Arapahoe, Jefferson, Boulder, and Larimer Counties, Colo., on the one hand, and, on the other, points in Wyoming, Nebraska, Kansas, New Mexico, and Utah; and (B) *general commodities*, including household goods, as defined by the Commission, between points in Colorado. **NOTE:** Applicant holds a second proviso registration in MC 59800 (Sub-No. 16) to transport any and all commodities capable of being transported by motor vehicle throughout the State of Colorado. Applicant states that since it is seeking interstate authority in (A) above, it, if granted, would result in cancellation of the second proviso registration. It seeks to retain said authority under a regularly issued certificate, hence it has applied for (B) above. If a hearing is deemed necessary, applicant requests it be held at Denver, Colo.

No. MC 61506 (Sub-No. 27), filed April 25, 1966. Applicant: RUSSELL TRANSFER COMPANY, INC., Athens-Augusta Highway, Post Office Box 92, Washington, Ga. Applicant's representative: Theodore M. Forbes, Jr., Suite 825, The Citizens & Southern National Bank Building, Atlanta, Ga., 30303. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum and petroleum products*, as defined in appendix XIII to ex parte No. 45, *Descriptions in Motor Carrier Certificates*, including naphthas, but excluding all other acids and chemicals as defined

in appendix XV to ex parte 45; (1) from Charleston, S.C., to points in Alabama, Tennessee, and Kentucky; (2) from Doe Run and Louisville, Ky., on the one hand, and, on the other, Doraville, Ga. (near Atlanta, Ga.); and (3) from Doraville, Ga., to points in Alabama, Tennessee, and Kentucky; and *rejected shipments*, on return; under continuing contract or contracts with Hess Oil & Chemical Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 61506 (Sub-No. 28), filed April 25, 1966. Applicant: RUSSELL TRANSFER COMPANY, INC., Athens-Augusta Highway, Post Office Box 92, Washington, Ga. Applicant's representative: Theodore M. Forbes, Jr., Suite 825, The Citizens & Southern National Bank Building, Atlanta, Ga., 30303. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Gasoline, kerosene, jet fuels and fuel oil distillates*, in bulk, in tank vehicles only, from Sweetwater, S.C., to points in Georgia, and *rejected shipments*, on return, under continuing contract or contracts for the account of Gulf Oil Corp. only. NOTE: If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 61506 (Sub-No. 29), filed April 25, 1966. Applicant: RUSSELL TRANSFER COMPANY, INC., Athens-Augusta Highway, Post Office Box 92, Washington, Ga. Applicant's representative: Theodore M. Forbes, Jr., Suite 825, The Citizens & Southern National Bank Building, Atlanta, Ga., 30303. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Jet fuel*, in bulk, in tank vehicles only, from Tuscaloosa, Ala., to Greenville, S.C., and *rejected shipments* on return, under continuing contract or contracts for the account of Gulf Oil Corp. only. NOTE: If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 64932 (Sub-No. 412) (Amendment), filed April 11, 1966, published in FEDERAL REGISTER, issue of April 28, 1966, amended, and republished as amended, this issue. Applicant: ROGERS CARTAGE CO., a corporation, 1439 West 103d St., Chicago, Ill., 60643. Applicant's representative: Carl L. Steiner, 39 South La Salle St., Chicago, Ill., 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer, fertilizer ingredients, acids, and chemicals* (except cryogenic liquids), in bulk, in tank vehicles, from the plantsite of Apple River Chemical Co. at or near Niota, Ill., to points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin. NOTE: The purpose of this republication is to add additional commodities. If a hearing is deemed necessary applicant requests it be held at Chicago, Ill.

No. MC 66632 (Sub-No. 3), filed April 21, 1966. Applicant: VERMONT MOVING & STORAGE CORP., 2161 Pitkin Avenue, Brooklyn, N.Y., 11207. Applicant's representative: Morris Honig, 150

Broadway, New York, N.Y. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Household goods* as defined by the Commission, between New York, N.Y., and points in Nassau, Suffolk, Putnam, Rockland, Dutchess, Orange, and Westchester Counties, N.Y.; those in New Jersey on and north of a line extending from Trenton through Asbury Park, N.J.; and those in Connecticut on and west of the Connecticut River, on the one hand, and, on the other, points in Delaware, Maryland, and Virginia, and the District of Columbia. NOTE: If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

No. MC 73688 (Sub-No. 12), filed April 25, 1966. Applicant: SOUTHERN TRUCKING CORPORATION, 546 Weakley Avenue, Memphis, Tenn. Applicant's representative: Dale Woodall, 150 East Court Avenue, Memphis, Tenn., 38101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel, and iron and steel articles*, between Greenville, Miss., and points in Arkansas. NOTE: Applicant states it holds the authority between the points involved by using Memphis, Tenn., as a gateway. If a hearing is deemed necessary, applicant requests it be held at Memphis, Tenn., or Jackson, Miss.

No. MC 73688 (Sub-No. 13), filed April 25, 1966. Applicant: SOUTHERN TRUCKING CORPORATION, 546 Weakley Avenue, Memphis, Tenn. Applicant's representative: Dale Woodall, 150 East Court Avenue, Memphis, Tenn., 38101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Prefabricated iron and steel buildings and accessories thereto*, knocked down, from Belzoni, Miss., to points in Mississippi, Tennessee, Georgia, Alabama, Florida, Kentucky, Louisiana, Arkansas, North Carolina, South Carolina, and Missouri. NOTE: If a hearing is deemed necessary, applicant requests it be held at Memphis, Tenn., or Jackson, Miss.

No. MC 75320 (Sub-No. 130), filed April 25, 1966. Applicant: CAMPBELL SIXTY-SIX EXPRESS, INC., Post Office Box 807, Springfield, Mo., 65801. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except livestock, those of unusual value, and except dangerous explosives, household goods as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading), between Siloam Spring and Van Buren, Ark.; from Siloam Spring, Ark., over Arkansas Highway 68 to junction Arkansas Highway 59, thence over Arkansas Highway 59 to Van Buren, and return over the same route, serving no intermediate points. NOTE: If a hearing is deemed necessary, applicant requests it be held at Little Rock, Ark.

No. MC 75339 (Sub-No. 13), filed April 18, 1966. Applicant: MILLER MOTOR EXPRESS, INC., 1807 West In-

dependence Boulevard, Charlotte, N.C. Applicant's representative: J. G. Dail, Jr., 2001 Massachusetts Avenue NW., Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), serving Newark, and Delaware City, Del., as off-route points in connection with applicant's regular-route operations between Norfolk, Va., and New York, N.Y., and between Baltimore, Md., and New York, N.Y. NOTE: If a hearing is deemed necessary, applicant requests it be held at Wilmington, Del.

No. MC 83539 (Sub-No. 183), filed April 22, 1966. Applicant: C & H TRANSPORTATION CO., INC., 1935 West Commerce Street, Post Office Box 5976, Dallas, Tex., 75222. Applicant's representative: W. T. Brunson, 419 Northwest sixth Street, Oklahoma City, Okla., 73102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Electrical transformers* which, by reason of size or weight, require the use of special equipment, (2) *electrical transformers* which do not require the use of special equipment, when moving in the same vehicle at the same time with the commodities in (1) above, and (3) *transformer oil*, in drums, when transported in mixed loads with commodities in (1) and (2) above, from Canonsburg, Pa., to points in Arizona, California, Colorado, Idaho, Iowa, Kansas, Mississippi, Missouri, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. NOTE: Applicant states it presently holds no authority that will tack with the authority sought herein. Applicant presently holds existing authority to transport "Commodities which by reason of size or weight require the use of special equipment", from the origin to all named destinations except Idaho. Applicant here seeks, at shipper's request, to obtain specific authority for the involved commodities in mixed loads to enable full utilization of equipment and permit greater flexibility in shipping combination loads with intermediate stops within the destination territory. Application here seeks no duplicating authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 85934 (Sub-No. 43), filed April 22, 1966. Applicant: MICHIGAN TRANSPORTATION COMPANY, a corporation, 3601 Wyoming Avenue, Dearborn, Mich. Applicant's representative: Rex Eames, 1800 Buhl Building, Detroit, Mich., 48226. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lime and limestone*, from the plantsite of the United States Gypsum Company located within 1 mile of the corporate limits of Genoa, Ohio, to (1) points in Indiana, Kentucky, Michigan,

and West Virginia, and (2) points in Maryland west of and including the county of Frederick, points in New York west of and including the counties of Cayuga, Onondaga, Cortland, and Tioga, and points in Pennsylvania west of and including the counties of Bradford, Sullivan, Columbia, Northumberland, Dauphin, and York. **NOTE:** Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 102682 (Sub-No. 250), filed April 26, 1966. Applicant: HUGHES TRANSPORTATION, INC., Meeting Street Road, Charleston, S.C. Applicant's representative: Frank B. Hand, Jr., 921 17th Street NW., Washington, D.C. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Steel bar joists and long spans*, (2) *steel nuts, bolts, washers, and plates* when transported with commodities in (1) as a part of the same shipment, from Congaree, S.C., to points in Louisiana, Oklahoma, Kansas, Missouri, Colorado, Nebraska, Iowa, Minnesota, Mississippi, Tennessee, Illinois, Wisconsin, Michigan, Indiana, Kentucky, Alabama, Ohio, Georgia, Florida, South Carolina, North Carolina, Virginia, West Virginia, Maryland, Pennsylvania, New Jersey, Rhode Island, Delaware, Connecticut, Massachusetts, New York, Vermont, New Hampshire, Maine, Arkansas, and the District of Columbia, and (3) *steel bars, rods, flats, and rounds*, from Charleston, S.C., to Congaree, S.C. **NOTE:** Applicant states service to be performed under a contract with Congaree Iron & Steel Co., Inc. of Congaree, S.C. If a hearing is deemed necessary, applicant requests it be held at Columbia, S.C.

No. MC 103654 (Sub-No. 114), filed April 22, 1966. Applicant: SCHIRMER TRANSPORTATION COMPANY, INCORPORATED, 1145 Homer Street, St. Paul 16, Minn. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, Minn., 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Acids, chemicals, fertilizer, and fertilizer ingredients*, in bulk, in tank vehicles (except cryogenic liquids), from the plant-site of Apple River Chemical Co. located at or near Niota, Ill., to points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn., or Chicago, Ill.

No. MC 106603 (Sub-No. 84), filed April 25, 1966. Applicant: DIRECT TRANSIT LINES, INC., 200 Colrain Street, SW., Grand Rapids, Mich. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Salt and salt mixtures and salt products with additives*, from Midland, Mich., to points in Illinois, Indiana, Ohio, and Wisconsin. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Lansing or Detroit, Mich.

No. MC 107403 (Sub-No. 677), filed April 27, 1966. Applicant: MATLACK, INC., 10 West Baltimore Avenue, Lansdowne, Pa. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid starch*, in bulk, in tank vehicles, from Piqua, Ohio, to Niles, Mich. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 107496 (Sub-No. 472), filed April 22, 1966. Applicant: RUAN TRANSPORT CORPORATION, Keosauqua Way at Third, Post Office Box 355, Des Moines, Iowa, 50309. Applicant's representative: H. L. Fabritz (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid caustic soda and phosphoric acid*, in bulk, in tank vehicles, from Minneapolis and St. Paul, Minn., to points in Iowa, North Dakota, Minnesota, South Dakota, and Wisconsin. **NOTE:** Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 107496 (Sub-No. 473), filed April 25, 1966. Applicant: RUAN TRANSPORT CORPORATION, Keosauqua Way at Third, Des Moines, Iowa, 50309. Applicant's representative: H. L. Fabritz (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia, fertilizer solutions*, in bulk, and *dry fertilizer and fertilizer ingredients, urea*, in bulk and in bags, from Helena, Ark., and points within 10 miles thereof, to points in Alabama, Arkansas, Illinois, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas. **NOTE:** Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Little Rock, Ark.

No. MC 107558 (Sub-No. 6), filed April 25, 1966. Applicant: ARROW TRANSPORTATION CO., INC., 283 Kinsley Avenue, Providence, R.I., 02903. Applicant's representative: Russell B. Curnett, 36 Circuit Drive, Edgewood Station, Providence, R.I., 02905. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, fresh frozen (quick freeze), between Gloucester, Mass., on the one hand, and, on the other, points in Bergen, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, and Union Counties, N.J., New York, N.Y., and Westchester County, N.Y. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Providence, R.I.

No. MC 107680 (Sub-No. 12), filed April 21, 1966. Applicant: CRESCENT EXPRESS, INC., Route 1, Box A328, Statesville, N.C. Applicant's representative: H. Overton Kemp, Room 101, 327 North Tryon Street, Post Office Box 20202, Charlotte, N.C., 28202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *New furniture and furniture parts*, between points in Alexander, Burke, Caldwell, Catawba, Lincoln, and

Iredell Counties (except Statesville), N.C., and points in Georgia, South Carolina, and Virginia, and *refused, rejected, and damaged shipments*, on return. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Charlotte, N.C.

No. MC 107839 (Sub-No. 105), filed April 21, 1966. Applicant: DENVER-ALBUQUERQUE MOTOR TRANSPORT, INC., 4985 York Street, Denver, Colo. Applicant's representative: Edward T. Lyons, Jr., Suite 420 Denver Club Building, Denver, Colo., 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles distributed by meat packinghouses* as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from the plant-site of the Tama Packing Co., located at or near Tama, Iowa, to points in Alabama, Arkansas, Colorado, Florida, Georgia, Idaho, Illinois, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Washington, and Wyoming. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 107983 (Sub-No. 7), filed April 21, 1966. Applicant: COLD-WAY EXPRESS, INC., Route 1, Morton, Ill., 61550. Applicant's representative: George S. Mullins, 4704 West Irving Park Road, Chicago, Ill., 60641. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Dairy products, including butter, powdered milk, condensed milk, ice cream mix, and oleomargarine*, (1) between Dubuque, Iowa, and Hannibal, Mo., on the one hand, and, on the other, Indianapolis, Ind., Louisville, Ky., Knoxville, Tenn., and points in Illinois (except points in the Chicago, Ill., commercial zone), and (2) between Louisville, Ky., on the one hand, and, on the other, Knoxville, Tenn., restricted to service for the accounts of Sugar Creek Foods Division of National Dairy Produce Corp. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 108207 (Sub-No. 189), filed April 21, 1966. Applicant: FROZEN FOOD EXPRESS, INC., 318 Cadiz Street, Post Office Box 5888, Dallas, Tex., 75222. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Candy, confections, and toppings*, when transported in mechanically refrigerated trailers, from New Orleans, La., to points in Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Ohio, Oklahoma, Texas, and Wisconsin, and Memphis, Tenn., and its commercial zone. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at New Orleans, La.

No. MC 109448 (Sub-No. 10), filed April 25, 1966. Applicant: PARKER TRANSFER COMPANY, a corporation, Post Office Box 256, Elyria, Ohio. Applicant's

representative: J. A. Kundtz, 1050 Union Commerce Building, Cleveland, Ohio, 44115. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Slate*, (1) from Sloatsburg, N.Y., to Amherst, Ohio, and (2) from Amherst, Ohio, to points in Connecticut, Delaware, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and the District of Columbia. NOTE: Applicant states that this authority shall not be tacked with any other authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 109501 (Sub-No. 7), filed April 22, 1966. Applicant: CALHOUN TRUCKING CORP., Kearny Industrial Park, Arlington, N.J. Applicant's representative: Bert Collins, 140 Cedar Street, New York, N.Y., 10006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Air conditioners, heating units, temperature control units, washing machines, dryers, stoves, and parts thereof*, from points in Edison Township, N.J., to points in Pennsylvania, on and east of U.S. 11, Delaware and Maryland, (2) *materials and supplies*, other than in bulk, such as used in the manufacture, production and distribution of the afore-described commodities, from the above described origin points to the above described destination points, and, (3) *rejected, returned and damaged shipments*, on return. NOTE: Applicant states that the proposed service is to be under contract with Fedders Corp. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

No. MC 109612 (Sub-No. 10), filed April 25, 1966. Applicant: LEE MOTOR LINES, INC., Post Office Box 728, Indiana Highway 67 South, Muncie, Ind., 47305. Applicant's representative: Donald W. Smith, Suite 511 Fidelity Building, Indianapolis, Ind., 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Glass containers, caps, lids, covers, and stoppers, fiberboard boxes and partitions*, from the plantsite of Thatcher Glass Manufacturing Co., at Streator, Ill., to points in the Lower Peninsula of Michigan, Indiana, and Ohio, and Ashland, Maysville, Covington, Carrollton, Louisville, Owensboro, Henderson, and Paducah, Ky., and St. Louis, Mo., and *pallets, platforms, and skids*, on return. NOTE: Applicant is also authorized to conduct operations as a *contract carrier* in Permit No. MC 115066 and subs thereunder; therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 110098 (Sub-No. 90), filed April 21, 1966. Applicant: ZERO REFRIGERATED LINES, a corporation, 815 Merida Street, Box 7249, Station A, San Antonio, Tex. Applicant's representative: Donald L. Stern, 630 City National Bank Building, Omaha 2, Nebr. Authority sought to operate as a *common*

carrier, by motor vehicle, over irregular routes, transporting: *Meats, meat products and meat byproducts, articles distributed by meat packinghouses and such commodities as are used by meatpackers in the conduct of their business* when destined to and for use by meatpackers (except hides and commodities in bulk, in tank vehicles), from Guymon, Okla., to points in Arizona, Arkansas, California, Colorado, Idaho, Louisiana, Mississippi, Nevada, New Mexico, Oregon, Texas, Utah, and Washington. NOTE: If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex.

No. MC 110420 (Sub-No. 521), filed April 26, 1966. Applicant: QUALITY CARRIERS, INC., 100 South Calumet Street, Burlington, Wis. Applicant's representative: Fred H. Figge, Post Office Box 339, Burlington, Wis. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Chocolate, chocolate coatings, chocolate liquor, chocolate products, cocoa butter, confectioners' coatings and compound coatings*, in bulk, in tank vehicles, from Burlington, Wis., to points in Colorado, Connecticut, Florida, Massachusetts, Nebraska, New Jersey, New York, Pennsylvania, and South Dakota. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110420 (Sub-No. 522), filed April 25, 1966. Applicant: QUALITY CARRIERS, INC., 100 South Calumet Street, Post Office Box 339, Burlington, Wis., 53105. Applicant's representative: Fred H. Figge (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Hog mucosa or slime*, in bulk, in tank vehicles, from Waterloo, Iowa, to Chicago, Ill. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110420 (Sub-No. 523), filed April 29, 1966. Applicant: QUALITY CARRIERS, INC., 100 South Calumet Street, Post Office Box 339, Burlington, Wis., 53105. Applicant's representative: Fred H. Figge (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fruit juices*, in bulk, in stainless steel tank vehicles, from Chicago, Ill., to Muskogee, Okla. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110525 (Sub-No. 784), filed April 26, 1966. Applicant: CHEMICAL LEAMAN TANK LINES, INC., 520 East Lancaster Avenue, Downingtown, Pa., 19335. Applicant's representatives: Leonard A. Jaskiewicz, 1155 15th Street, NW., Madison Building, Washington, D.C., 20005, and Edwin H. van Deusen (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Acids and chemicals*, in bulk, in tank vehicles, from Midland, Mich., to points in Alabama, Florida, Georgia, Louisiana, North Carolina, South Carolina, and Virginia. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 110686 (Sub-No. 29), filed April 18, 1966. Applicant: McCORMICK DRAY LINE, INC., Avis, Pa. Applicant's representative: David A. Sutherland, 1120 Connecticut Avenue NW., Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except classes A and B explosives, household goods as defined by the Commission, and commodities of unusual value), between the plantsite of the Jones & Laughlin Steel Corp., located at or near Hennepin, Ill., and points in Alabama, Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110686 (Sub-No. 30), filed April 18, 1966. Applicant: McCORMICK DRAY LINE, INC., Avis, Pa. Applicant's representative: David A. Sutherland, 1120 Connecticut Avenue NW., Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Furnaces, boilers, burners, radiators, air conditioners, and furnace, boiler, burner, and air conditioner parts, accessories, housings, and enclosures*, from the plantsite of E. S. Space Conditioning, Inc., located at or near Harrisonburg, Va., to Williamsport, Pa. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 110988 (Sub-No. 204), filed April 18, 1966. Applicant: KAMPO TRANSIT, INC., 200 Cecil Street, Neenah, Wis. Applicant's representative: E. Stephen Heisley, 529 Transportation Building, Washington, D.C., 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum and petroleum products*, from Rock Rapids, Iowa, and points within ten (10) miles thereof, to points in Wisconsin. NOTE: If a hearing is deemed necessary, applicant requests it be held at Des Moines, Iowa.

No. MC 110988 (Sub-No. 207), filed April 26, 1966. Applicant: KAMPO TRANSIT, INC., 200 Cecil Street, Neenah, Wis., 54957. Applicant's representative: E. Stephen Heisley, 529 Transportation Building, Washington, D.C., 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry plastics and plastic materials*, in bulk, in tank or hopper-type vehicles, from the plantsite of Rexall Drug & Chemical Co., located approximately 4 miles southeast of Channahon, Ill., to points in Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio, Pennsylvania, Tennessee, West Virginia, and Wisconsin. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 111231 (Sub-No. 143), filed April 26, 1966. Applicant: JONES TRUCK LINES, INC., 610 East Emma Avenue, Springdale, Ark., 72764. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Beverages*, carbonated or noncarbonated with or without Vitamin C added, from points in Muskogee County, Okla., to points in Alabama, Arizona, Arkansas, California, Florida, Georgia, Idaho, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, Nevada, New Mexico, Oregon, Tennessee, Texas, Utah, and Washington, and *containers* used in the packaging of the commodities described above, on return. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 111231 (Sub-No. 144), filed April 26, 1966. Applicant: JONES TRUCK LINES, INC., 610 East Emma Avenue, Springdale, Ark., 72764. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, from points in Arkansas on and north of U.S. Highway 64, beginning at the Arkansas-Oklahoma State line and extending to Beebe, Ark., and on and west of U.S. Highway 67, extending from Beebe, Ark., to the Missouri-Arkansas State line, to points in North Carolina, South Carolina, Maryland, and Delaware, and the District of Columbia. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 111812 (Sub-No. 345), filed April 22, 1966. Applicant: MIDWEST COAST TRANSPORT, INC., Wilson Terminal Building, Post Office Box 747, Sioux Falls, S. Dak., 57101. Applicant's representative: Donald L. Stern, 630 City National Bank Building, Omaha, Nebr., 68102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Food, food products, food ingredients, food mixtures, table sauces, beverages, and advertising specialties, premiums, accessories, glassware, dishes, wrapping materials, and supplies*, when moving in conjunction with the aforementioned commodities, from points in Lafayette, Green, and Sawyer Counties, Wis., to points in Washington, Oregon, California, Idaho, Utah, Nevada, Arizona, Montana, Wyoming, Colorado, and New Mexico. NOTE: Applicant states no duplicating authority sought herein. If a hearing is deemed necessary, applicant requests it be held at Madison, Wis., or Chicago, Ill.

No. MC 111812 (Sub-No. 346), filed April 25, 1966. Applicant: MIDWEST COAST TRANSPORT, INC., Wilson Terminal Building, Post Office Box 747, Sioux Falls, S. Dak., 57101. Applicant's representatives: William J. Walsh (same address as applicant) and Donald L. Stern, 630 City National Bank Building, Omaha, Nebr., 68102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, from Duluth, Minn., to points in Iowa, Nebraska, and South Dakota. NOTE: Applicant states that no duplicating authority is sought herein.

If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 112304 (Sub-No. 17) (Amendment), filed April 15, 1966, published FEDERAL REGISTER issue of May 5, 1966, amended April 29, 1966, and republished as amended this issue. Applicant: ACE DORN HAULING & RIGGING CO., a corporation, 1601 Blue Rock Street, Cincinnati, Ohio. Applicant's representative: James M. Burtch, 100 East Broad Street, Columbus, Ohio. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel, iron and steel products, and steel mill equipment, materials and supplies*, between points in Putnam County, Ill., on the one hand, and, on the other, points in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Iowa, Illinois, Indiana, Kansas, Kentucky, Louisiana, Lower Peninsula of Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Mexico, Nevada, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming. NOTE: The purpose of this republication is to broaden the origin point. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 112588 (Sub-No. 10), filed April 21, 1966. Applicant: RUSSELL TRUCKING LINE, INC., 1820 Milan Road, Sandusky, Ohio. Applicant's representative: Charles B. Myers, 611 Field Building, Chicago, Ill., 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lime and limestone*, from the plantsite of the United States Gypsum Co. located within 1 mile of the corporate limits of Genoa, Ohio, to (1) points in Indiana, Kentucky, Michigan, and West Virginia, and (2) points in Maryland west of and including the county of Frederick, points in New York west of and including the counties of Cayuga, Onondaga, Cortland, and Tioga, and points in Pennsylvania west of and including the counties of Bradford, Sullivan, Columbia, Northumberland, Dauphin, and York. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 112893 (Sub-No. 36), filed April 26, 1966. Applicant: BULK TRANSPORT COMPANY, a corporation, 100 South Calumet, Burlington, Wis. Applicant's representative: Fred H. Figge, Post Office Box 339, Burlington, Wis. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer, fertilizer solutions, and fertilizer ingredients*, in bulk, in tank vehicles, from Calamine, Dane, Fall River, and Sun Prairie, Wis., to points in Illinois on and north of Illinois Highway 64. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 113165 (Sub-No. 5), filed April 22, 1966. Applicant: PENINSULA TRUCK LINES, INC., 3414 Second Avenue South, Seattle, Wash. Applicant's representative: Carl A. Jonson, 400 Cen-

tral Building, Seattle 4, Wash. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except classes A and B explosives, commodities in bulk, those requiring special equipment, and household goods as defined by the Commission), between airport in King County, Wash., on the one hand, and, on the other, points in Kitsap and Clallam Counties, Wash., restricted to shipments having a prior or subsequent movement by air. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 113325 (Sub-No. 95), filed April 25, 1966. Applicant: SLAY TRANSPORTATION CO., INC., 2001 South Seventh Street, St. Louis, Mo., 63104. Applicant's representative: Chester A. Zyblut, 1522 K Street NW., Washington, D.C., 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, and *dry commodities*, in bags, when moving at the same time and in the same vehicle with liquid chemicals, from points in the Chicago, Ill., commercial zone to points in Illinois, Indiana, Michigan, Missouri, Ohio, and Wisconsin. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 113325 (Sub-No. 96), filed April 25, 1966. Applicant: SLAY TRANSPORTATION CO., INC., 2001 South Seventh Street, St. Louis, Mo., 63104. Applicant's representative: Chester A. Zyblut, 1522 K Street NW., Washington, D.C., 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastics, synthetics*, other than liquids, in bulk, from Delaware City, Del., to points in Alabama, Connecticut, Florida, Georgia, Kentucky, Illinois, Indiana, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, and Wisconsin. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 113325 (Sub-No. 97), filed April 25, 1966. Applicant: SLAY TRANSPORTATION CO., INC., 2001 South Seventh Street, St. Louis, Mo., 63104. Applicant's representative: Chester A. Zyblut, 1522 K Street NW., Washington, D.C., 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer and fertilizer ingredients*, from the plantsite of Olin Mathieson Chemical Corp., located at or near Joliet, Ill., to points in Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Minnesota, Ohio, and Wisconsin. NOTE: If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo.

No. MC 113514 (Sub-No. 97), filed April 20, 1966. Applicant: SMITH TRANSIT, INC., 3300 Republic National Bank Building, Dallas, Tex., 75201. Applicant's representative: William D. White, Jr., 2505 Republic National Bank

Tower, Dallas, Tex., 75201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sand*, in bulk, from points in Texas, to points in Louisiana. NOTE: If a hearing is deemed necessary, applicant requests it be held at Houston, Tex.

No. MC 113678 (Sub-No. 253), filed April 20, 1966. Applicant: CURTIS, INC., 770 East 51st Avenue, Denver, Colo., 80216. Applicant's representative: Duane W. Acklie, Post Office Box 2028, Lincoln, Nebr. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles distributed by meat packinghouses*, as described in sections A and C of appendix 1 to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from points in York County, Nebr., to points in Arizona, California, Colorado, Nevada, New Mexico, and Utah. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 113678 (Sub-No. 254), filed April 26, 1966. Applicant: CURTIS, INC., 770 East 51st Avenue, Denver, Colo., 80216. Applicant's representative: Duane W. Acklie, Post Office Box 2028, Lincoln, Nebr. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, dairy products, and articles distributed by meat packinghouses* (except commodities in bulk, in tank vehicles), as described in sections A, B, and C of appendix 1 to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from Bureau, Ill., to points in Arizona, California, Colorado, Connecticut, Delaware, Idaho, Maine, Maryland, Minnesota, Montana, Nebraska, Massachusetts, Nevada, New Hampshire, New York, North Dakota, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Virginia, New Jersey, Washington, and West Virginia, and the District of Columbia. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 113828 (Sub-No. 113), filed April 20, 1966. Applicant: O'BOYLE TANK LINES, INCORPORATED, 4848 Cordell Avenue, Washington, D.C., 20014. Applicant's representative: William P. Sullivan, 1825 Jefferson Place NW., Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Concrete additives and ingredients*, (1) from Cleveland, Ohio, to points in Maryland, Virginia, and the District of Columbia, and (2) from Baltimore, Md., to points in Virginia and the District of Columbia. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 113974 (Sub-No. 18) (Amendment), filed April 13, 1966, published FEDERAL REGISTER issue of April 28, 1966, amended and republished, this issue. Applicant: PITTSBURGH & NEW ENGLAND TRUCKING CO., a corporation, 211 Washington Avenue, Dravosburg, Pa. Authority sought to operate as a *common carrier*, by motor vehicle, over

irregular routes, transporting: *Iron and steel, iron and steel articles, steelmill materials, supplies, and equipment, and building materials*, between points in Putnam County, Ill., on the one hand, and, on the other, points in the United States (except Alaska and Hawaii). NOTE: The purpose of this republication is to broaden the territory sought. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 114045 (Sub-No. 251), filed April 22, 1966. Applicant: TRANSCOLD EXPRESS, INC., Post Office Box 5842, Dallas, Tex. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Food products and materials, supplies and advertising matter*, when moving in conjunction therewith, from Lancaster, Ohio, to Buffalo, N.Y., Pittsburgh, Pa., St. Louis, Mo., and points in Illinois, Indiana, Kentucky, the Lower Peninsula of Michigan, and West Virginia. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 114194 (Sub-No. 133), filed April 21, 1966. Applicant: KREIDER TRUCK SERVICE, INC., 8003 Collinsville Road, East St. Louis, Ill. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Starch*, in bulk, from Decatur, Ill., to points in North Carolina, South Carolina, Georgia, Alabama, and Mississippi, and *rejected shipments*, on return. NOTE: If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo.

No. MC 114284 (Sub-No. 30), filed April 22, 1966. Applicant: FOXSMYTHE TRANSPORTATION CO., a corporation, Post Office Box 82307, Stockyards Station, Oklahoma City, Okla. Applicant's representative: W. T. Brunson, 419 Northwest Sixth Street, Oklahoma City, Okla., 73102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, dairy products, articles distributed by meat packinghouses, and such commodities as are used by meatpackers in the conduct of their business when destined to and for use by meatpackers*, as described in sections A, B, C and D, appendix 1 in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except commodities in bulk), from Guyman, Okla., to points in Arizona, California, Iowa, Nebraska, New Mexico, South Dakota, and Texas. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 114284 (Sub-No. 31), filed April 22, 1966. Applicant: FOXSMYTHE TRANSPORTATION CO., INC., Post Office Box 82307, Stockyards Station, Oklahoma City, Okla. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kans., 66603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts and articles distributed by meat packinghouses*, as described in sections A and C of ap-

pendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except commodities in bulk, in tank vehicles), from Wichita, Kans., to points in Oklahoma, Texas, New Mexico, Arkansas, Arizona, California, North Dakota, and South Dakota. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 114323 (Sub-No. 3), filed April 21, 1966. Applicant: PAUL MARCKESANO AND SONS CO., INC., 54th Avenue and Fifth Street, Long Island City, N.Y. Applicant's representative: Morton E. Kiel, 140 Cedar Street, New York, N.Y., 10006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry cement*, in bulk, from the storage site of Penn-Dixie Cement Corp., Jersey City, N.J., to points in Connecticut, and points in Rockland, Westchester, Nassau, and Suffolk Counties, N.Y., and *returned shipments*, on return. NOTE: Applicant states that no duplicating authority is requested. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

No. MC 114364 (Sub-No. 117), filed April 27, 1966. Applicant: WRIGHT MOTOR LINES, INC., Post Office Box 672, Rocky Ford, Colo. Applicant's representative: Marion F. Jones, Suite 420, Denver Club Building, Denver, Colo., 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pickles*, in containers, from Denver, Colo., to points in Arizona, California, Kansas, Nevada, and New Mexico. NOTE: If a hearing is deemed necessary, applicant requests it be held at Denver, Colo.

No. MC 114457 (Sub-No. 54), filed April 26, 1966. Applicant: DART TRANSPORT COMPANY, a corporation, 780 North Prior Avenue, St. Paul, Minn. Applicant's representative: Charles W. Singer, Tower Suite 3600, 33 North La Salle Street, Chicago, Ill., 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Frozen foods*, from Mankato, Minn., to Carrollton, Macon, Marshall, Moberly, Sedalia, St. Joseph, and Milan, Mo., (2) *salt, spices, food coloring, food seasoning, and condiments*, from Carrollton, Macon, Marshall, Moberly, Sedalia, St. Joseph, and Milan, Mo., to Wells, Minn., (3) *frozen foods*, from Marshall, Mo., to Wells, Minn., and (4) *commodities*, the transportation of which is partially exempt under the provisions of section 203(b) (6) of the Interstate Commerce Act, when moving in the same vehicle at the same time with salt, spices, food coloring, food seasoning, and condiments, and frozen foods, from Carrollton, Macon, Marshall, Moberly, Sedalia, St. Joseph, and Milan, Mo., to Wells, Minn. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 114699 (Sub-No. 33), filed April 21, 1966. Applicant: TANK LINES, INCORPORATED, North Dabney Road, Post Office Box 6415, Richmond, Va., 2320. Applicant's representative: E. Stephen Heisley, 529 Transportation

Building, Washington, D.C., 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Animal fats, animal oils, and vegetable oils, including products and blends of such commodities*, in bulk, in tank vehicles, from Chicago, Ill., to points in Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Mississippi, Nebraska, North Carolina, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia, and (2) *vegetable oils*, in bulk, in tank vehicles, from points in Illinois, Iowa, Missouri, Tennessee, and Wisconsin, to Chicago, Ill., and *rejected shipments only*, on return. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 115840 (Sub-No. 25), filed April 25, 1966. Applicant: COLONIAL FAST FREIGHT LINES, INC., 1215 Bankhead Highway West, Post Office Box 2169, Birmingham, Ala. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel, and iron and steel articles*, between points in Tennessee on and east of U.S. Highway 127, on the one hand, and, on the other, points in Alabama, Arkansas, Georgia, Illinois, Indiana, Kentucky, Mississippi, Missouri, North Carolina, Ohio, West Virginia, and South Carolina. NOTE: Applicant states that no duplicating authority is sought. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 116273 (Sub-No. 63), filed April 20, 1966. Applicant: D & L TRANSPORT, INC., 3800 South Laramie Avenue, Cicero, Ill. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, Ill., 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Corn flour*, in bulk, from Danville, Ill., to Elkhart, Ind. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 116273 (Sub-No. 64), filed April 20, 1966. Applicant: D & L TRANSPORT, INC., 3800 South Laramie Avenue, Cicero, Ill., 60650. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, Ill., 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Corn products*, in bulk, in tank or hopper type vehicles, from Danville, Ill., to points in Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, and Wisconsin. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 116273 (Sub-No. 66), filed April 22, 1966. Applicant: D & L TRANSPORT, INC., 3800 South Laramie Avenue, Cicero, Ill. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, Ill., 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular

routes, transporting: *Perlite and vermiculite*, in bulk, from De Kalb and Chicago, Ill., to points in Minnesota, Iowa, Missouri, Wisconsin, Michigan, Indiana, and Ohio. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 117119 (Sub-No. 369), filed April 22, 1966. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., Elm Springs, Ark., 72728. Applicant's representative: John H. Joyce, 26 North College, Fayetteville, Ark. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, from Austin, Ind., to points in Iowa, Missouri, Kansas, Nebraska, and Minnesota. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 117344 (Sub-No. 170), filed April 20, 1966. Applicant: THE MAXWELL CO., a corporation, 10380 Evendale Drive, Cincinnati 15, Ohio. Applicant's representative: James R. Stivers, 50 West Broad Street, Columbus, Ohio, 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum and petroleum products*, in bulk, in tank vehicles, from points in Jackson County, Ind., to points in Illinois, Indiana, Kentucky, and Ohio, restricted against the transportation of liquid hydrogen to points in Illinois and Kentucky. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 118196 (Sub-No. 68), filed April 21, 1966. Applicant: RAYE & COMPANY TRANSPORTS, INC., Post Office Box 613, Carthage, Mo. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foods, food products, food ingredients, food mixtures, table sauces, and beverages, and advertising specialties, premiums, accessories, glassware, dishes, wrapping material, and supplies*, when moving in conjunction with the aforementioned commodities, from points in Lafayette, Green and Sawyer Counties, Wis., to points in Washington, Oregon, California, Idaho, Utah, Nebraska, Arizona, Montana, Wyoming, Colorado, and New Mexico. NOTE: If a hearing is deemed necessary, applicant requests it be held at Madison, Wis.

No. MC 118196 (Sub-No. 69), filed April 21, 1966. Applicant: RAYE & COMPANY TRANSPORTS, INC., Post Office Box 613, Carthage, Mo. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dairy products* (except frozen), from points in Oregon and Utah, to points in Missouri. NOTE: If a hearing is deemed necessary, applicant requests it be held at Jefferson City, Mo.

No. MC 118831 (Sub-No. 47), filed April 18, 1966. Applicant: CENTRAL TRANSPORT, INCORPORATED, Uwharrie Road, Post Office Box 5044, High Point, N.C. Applicant's representative: E. Stephen Heisley, Transportation Building, Washington, D.C., 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Feldspar*,

in bulk, in tank vehicles, from points in Cleveland, Mitchell, and Yancey Counties, N.C., to points in Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Louisiana, Mississippi, Missouri, New York, New Jersey, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia. NOTE: Applicant states no duplicating authority is sought. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 119403 (Sub-No. 3), filed April 25, 1966. Applicant: CONTRACT STEEL CARRIERS, INC., 7500 West Chicago Avenue, Gary, Ind. Applicant's representative: Charles B. Myers, 611 Field Building, Chicago, Ill., 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Iron and steel articles*, from points in Putnam County, Ill., to points in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Minnesota, Iowa, Missouri, Arkansas, Wisconsin, Illinois, Michigan, Indiana, Ohio, Kentucky, Tennessee, Mississippi, Louisiana, Alabama, Georgia, and Florida, and (2) *such commodities as are used or useful in the development, construction and operation of steel mills*, from the above destination States in (1) above to points in Putnam County, Ill. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 119441 (Sub-No. 12), filed April 25, 1966. Applicant: BAKER HIGHWAY EXPRESS, INC., Stone Creek, Ohio. Applicant's representative: Richard H. Brandon, 810 Hartman Building, Columbus, Ohio, 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Clay products*, from Baltic and Wadsworth, Ohio, and points within 10 miles of each to points in Delaware, the District of Columbia, Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Missouri, New Jersey, New York, Pennsylvania, Virginia, and West Virginia. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 119573 (Sub-No. 8), filed April 25, 1966. Applicant: WATKINS TRUCKING, INC., 207 Trenton Avenue, Uhrichsville, Ohio. Applicant's representative: Richard H. Brandon, 810 Hartman Building, Columbus, Ohio, 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Plastic pipe and fittings for plastic pipe*, from the plantsite of the Evanite Plastic Co. near Carrollton, Ohio, to points in Vermont; and (2) *plastic pipe and fittings for plastic pipe* only when transported in mixed shipments with clay products, from Mill Township, Tuscarawas County, Ohio, to points in Connecticut, Delaware, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, West Virginia, and Wisconsin, and the District of Columbia. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 119767 (Sub-No. 165), filed April 26, 1966. Applicant: BEAVER TRANSPORT CO., a corporation, 100 South Calumet Street, Post Office Box 339, Burlington, Wis., 53105. Applicant's representative: Fred H. Figge (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Frozen prepared foods, frozen pies, not baked, and frozen poultry, from Carrollton, Macon, Marshall, Milan, and Moberly, Mo., to points in Kentucky and Tennessee (except Memphis).* NOTE: If a hearing is deemed necessary applicant requests it be held at Chicago, Ill.

No. MC 119864 (Sub-No. 26), filed April 26, 1966. Applicant: HOFER MOTOR TRANSPORTATION CO., a corporation, 26740 Eckel Road, Perrysburg, Ohio, 43551. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Metal containers, materials, and supplies used in the manufacture, sale and distribution thereof, between Toledo, Ohio, on the one hand, and, on the other, points in Indiana, Illinois, Kentucky, Michigan, New York, New Jersey, and Pennsylvania.* NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 119864 (Sub-No. 27), filed April 25, 1966. Applicant: HOFER MOTOR TRANSPORTATION CO., a corporation, 26740 Eckel Road, Perrysburg, Ohio, 43551. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Foodstuffs and food preparations, cooking oils, shortening, and matches, and such materials, supplies, and equipment as are used in the manufacture, packing and shipping of the above, between Toledo, Ohio, on the one hand, and, on the other, points in Illinois, Indiana, Michigan, Ohio, Kentucky, New York, Wisconsin, Pennsylvania, and West Virginia.* NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 120098 (Sub-No. 15), filed April 25, 1966. Applicant: UINTAH FREIGHTWAYS, a corporation, 348 West 1370 South, Salt Lake City, Utah. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Fly ash, in bulk pneumatic tank, from points in Carbon County, Utah, to points in San Juan County, N. Mex.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Salt Lake City, Utah.

No. MC 123407 (Sub-No. 26) (Amendment), filed April 11, 1966, published in FEDERAL REGISTER issue of April 28, 1966, amended and republished this issue. Applicant: SAWYER TRANSPORT, INC., 2424 Minnehaha Avenue, Minneapolis, Minn. Applicant's representative: Alan Foss, First National Bank Building, Fargo, N. Dak., 58102. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Iron and steel, iron and steel articles, and steel mill materials, supplies and equipment, between points in Putnam County, Ill., on the*

one hand, and, on the other, points in Montana, Wyoming, Colorado, New Mexico, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Minnesota, Iowa, Missouri, Arkansas, Louisiana, Michigan, Wisconsin, Illinois, Indiana, Ohio, Kentucky, Tennessee, Mississippi, Alabama, Georgia, and Florida. NOTE: The purpose of this republication is to more clearly set forth the proposed operation. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 124069 (Sub-No. 7), filed April 25, 1966. Applicant: CONCRETE DELIVERY CO., INC., 7 North Steelawanna Avenue, Lackawanna, N.Y. Applicant's representative: William J. Hirsch, 43 Niagara Street, Buffalo, N.Y., 14202. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Cement, in seasonal operation between October first and May first, from ports of entry on the international boundary line between the United States and Canada at or near Alexandria Bay, N.Y., to South Lansing, Rochester, Rome, and Watertown, N.Y.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Buffalo, N.Y.

No. MC 125040 (Sub-No. 2) (Amendment), filed March 7, 1966, published in FEDERAL REGISTER, issue of March 24, 1966, amended April 27, 1966, and republished as amended, this issue. Applicant: R. CONLEY, INC., Seneca Street, Elma, N.Y. Applicant's representative: William J. Hirsch, 43 Niagara Street, Buffalo, N.Y., 14202. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *Fruit juices, in tank vehicles, from Naples, Newfane, and Westfield, N.Y., to Chicago, Ill., and (2) wine, in tank vehicles, from Fredonia, N.Y., to Chicago, Ill.; and returned, refused, and rejected shipments, on return.* NOTE: The purpose of this republication is to more clearly set forth the proposed operation. Applicant is also authorized to conduct operations as a contract carrier in permit No. MC 110663 and subs thereunder; therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Buffalo, N.Y.

No. MC 125248 (Sub-No. 1), filed April 27, 1966. Applicant: FRANCIS P. CMIEL AND MARIAN E. CMIEL, a partnership doing business as R & M CMIEL, Rural Delivery 1, Columbus, Pa. Applicant's representative: Frank G. McKnight, 108 South Center Street, Post Office Box 148, Corry, Pa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (A) *Malt beverages, (1) from Buffalo, N.Y., to Corry, Titusville, Erie, Farrell, and Clarion, Pa.; and (2) from Dunkirk, N.Y., to Corry and Titusville, Pa.; and (B) soft drinks, from Corry, Pa., to Falconer, N.Y.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Erie, Pa.

No. MC 125777 (Sub-No. 91), filed April 18, 1966. Applicant: JACK GRAY TRANSPORT, INC., 3200 Gibson Trans-

fer Road, Hammond, Ind. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, Ill., 60603. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Pig iron, in dump vehicles, from Muskegon, Mich., to points in Illinois, Indiana, and Ohio.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 125777 (Sub-No. 92), filed April 25, 1966. Applicant: JACK GRAY TRANSPORT, INC., 3200 Gibson Transfer Road, Hammond, Ind. Applicant's representative: David Axelrod, 39 South La Salle Street, Chicago, Ill. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Salt, in dump vehicles, from Clinton and Davenport, Iowa, to points in Illinois.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 125777 (Sub-No. 93), filed April 25, 1966. Applicant: JACK GRAY TRANSPORT, INC., 3200 Gibson Transfer Road, Hammond, Ind. Applicant's representative: David Axelrod, 39 South La Salle Street, Chicago, Ill., 60603. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Pig iron, in dump vehicles, from Chicago, Ill., to points in Kansas and Nebraska.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 125777 (Sub-No. 94), filed April 25, 1966. Applicant: JACK GRAY TRANSPORT, INC., 3200 Gibson Transfer Road, Hammond, Ind. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, Ill., 60603. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Fertilizer and fertilizer materials, in bulk, in dump vehicles, from Cordova and Keithsburg, Ill., to points in Iowa, Wisconsin, Minnesota, Nebraska, and Missouri.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 125899 (Sub-No. 2) (Correction), filed March 28, 1966, published FEDERAL REGISTER issue of April 21, 1966, and republished as corrected this issue. Applicant: JOHN McCABE, 1804 South 27th Avenue, Phoenix, Ariz. Applicant's representative: Pete H. Dawson, 4453 East Piccadilly Road, Phoenix, Ariz., 85018. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *Brick, from ports of entry on the international boundary line between the United States and Mexico, located at San Luis and Nogales, Ariz., to points in Arizona, and (2) lumber, (a) from points in Arizona, to the ports of entry on the international boundary line between the United States and Mexico, located at San Luis and Nogales, Ariz., (b) from points in Oregon, California, and Arizona, to points in Hidalgo County, N. Mex., and (c) from points in McKinley County, N. Mex., to points in Arizona and California.* NOTE: The purpose of this republication is to correct item (2)(c). If a hearing is deemed necessary, applicant requests it be held at Phoenix, Ariz.

No. MC 126305 (Sub-No. 8), filed April 25, 1966. Applicant: BOYD BROTHERS TRANSPORTATION CO., INC., Route 1, Clayton, Ala. Applicant's representative: Robert E. Tate, Suite 2025-2028, City Federal Building, Birmingham, Ala., 35203. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer*, from points in Henry and Houston Counties, Ala., to points in Florida, Georgia, and Mississippi. NOTE: Applicant states that it will transport exempt commodities on return. If a hearing is deemed necessary, applicant requests it be held at Montgomery, Ala.

No. MC 126311 (Sub-No. 3), filed April 25, 1966. Applicant: CHARLES L. PARKS, Ashland, Nebr. Applicant's representative: J. Max Harding, Box 2028, 605 South 14th Street, Lincoln, Nebr. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia and liquid fertilizer*, in bulk, in tank vehicles, from Council Bluffs, Iowa, and Lawrence Kans., to points in Butler, Cass, Colfax, Dodge, Douglas, Lancaster, Saunders, Seward, and Washington Counties, Nebr. NOTE: Applicant states all service to be limited to a transportation service to be performed under continuing contract with Farmers Union Coop. Oil Association, Wahoo, Nebr. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 126899 (Sub-No. 21), filed April 27, 1966. Applicant: USHER TRANSPORT, INC., 1415 South Third Street, Paducah, Ky. Applicant's representative: Louis J. Amato, 703-706 McClure Building, Frankfort, Ky., 40601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages* in containers, from Louisville, Ky., and St. Louis, Mo., to Mount Vernon, Ind. NOTE: If a hearing is deemed necessary, applicant requests it be held at Louisville, Ky.

No. MC 126984 (Sub-No. 1), filed April 25, 1966. Applicant: H. F. L. TRANSPORT, INC., 2530 Columbus Avenue, Rear, Springfield, Ohio. Applicant's representative: James R. Stivers, 50 West Broad Street, Columbus, Ohio, 43215. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Brooms, mops, allied items and materials used in their manufacture*, (1) from Portland, Ind., to points in Kentucky, Texas, Tennessee, Mississippi, Alabama, Georgia, and Louisiana, and (2) from Springfield, Ohio, to points in Kentucky, Texas, Tennessee, Mississippi, Alabama, Georgia, and Louisiana. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 127042 (Sub-No. 15), filed April 25, 1966. Applicant: HAGEN, INC., 4120 Floyd Street, Sioux City, Iowa. Applicant's representative: J. Max Harding, Box 2028, Lincoln, Nebr., 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat prod-*

ucts, meat byproducts, and articles distributed by meat packinghouses, as described in sections A and C of appendix I to the Report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and liquid commodities in bulk, in tank vehicles), from Sioux City and Spencer, Iowa, and Sioux Falls, S. Dak., to points in Illinois on and north of U.S. Highway 136 (except Chicago, Ill.). NOTE: Applicant states that no duplicating authority is sought. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 127093 (Sub-No. 3), filed April 22, 1966. Applicant: BASIL J. SMEESTER AND JOSEPH G. SMEESTER, doing business as SMEESTER BROTHERS TRUCKING, 1330 South Jackson, Iron Mountain, Mich. Applicant's representative: William B. Elmer, 22644 Gratiot Avenue, Kaiser Building, East Detroit, Mich. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Boards, building, wall, and/or insulating, and parts, materials, and accessories incidental thereto*; (2) *manufactured and/or composition boards, and parts and accessories incidental thereto*; and (3) *roofing and/or insulating materials, and parts and accessories incidental thereto*; between the plantsite of the Celotex Corp. at L'Anse, Mich., and warehouses owned or leased by the Celotex Corp. in the Upper Peninsula of Michigan, on the one hand, and, on the other, points in Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois (except Chicago and the commercial zone thereof), Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin, and the District of Columbia; and *materials and supplies used in the manufacture of items specified in (1), (2), and (3) above, and refused, rejected, or damaged shipments*, on return. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 127506 (Sub-No. 1), filed April 25, 1966. Applicant: P. JUDGE & SONS, INC., 117 Metropolitan Avenue, Brooklyn, N.Y., 11211. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, N.J., 07306. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Business machines and parts, accessories and supplies therefor* (except articles which because of size, shape or weight, require the use of special equipment or special handling), (1) between New York, N.Y., Port Newark and Somerville, N.J., on the one hand, and, on the other, New York, N.Y., points in Orange, Rockland, Westchester, Nassau and Suffolk Counties, N.Y., and (2) between New York, N.Y., Port Newark, N.J., on the one hand, and, on the other, Somerville, N.J., under a continuing contract with Inter Continental Trading Corp., Somerville, N.J. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or New York, N.Y.

No. MC 127541 (Sub-No. 1), filed April 21, 1966. Applicant: GARITH R. ANDERSON, 5747 Glenwood Avenue North, Golden Valley, Minn. Applicant's representative: W. J. Corrick, 102 Professional Center, 3811 West Broadway, Robbinsdale, Minn., 55422. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Glazed concrete blocks*, in shipper owned trailers for the account of Zenith Glazed Products Co., from Osseo, Minn., to points in North Dakota, South Dakota, Iowa, Wisconsin, Nebraska, the Upper Peninsula of Michigan and Kansas. NOTE: If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 127769 (Sub-No. 3), filed April 22, 1966. Applicant: SAM L. PALMER, 415 West Seventh Street, Cheyenne, Wyo. Applicant's representative: Robert S. Stauffer, 1510 East 20th Street, Cheyenne, Wyo. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Repossessed automobiles, trucks and trailers*, except those designed to be drawn by passenger automobiles, in driveway service, between points in the United States (except Alaska and Hawaii). NOTE: If a hearing is deemed necessary, applicant requests it be held at Denver, Colo., or Cheyenne, Wyo.

No. MC 127823 (Sub-No. 1), filed April 22, 1966. Applicant: ROBERT KAUFMAN, 2 Fairlawn Drive, Worcester, Mass. Applicant's representative: Arthur A. Wentzell, Post Office Box 720, Worcester, Mass., 01601. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Animal and poultry feed ingredients*, except commodities in bulk, for the account of Lockwood Nutrition Service, Inc., between points in New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, and Pennsylvania. NOTE: If a hearing is deemed necessary, applicant requests it be held at Boston, Mass.

No. MC 127868 (Sub-No. 1), filed April 13, 1966. Applicant: PETER STEENHUSEN, JR., doing business as STEENHUSEN HARDWARE, Irwin, Iowa. Applicant's representative: Jake S. More, Harlan, Iowa, 51537. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Feed and feed ingredients* (except the transportation of feed and feed ingredients in bulk, in tank vehicles, for the account of Rucklos Calcium Carbonate Co.), from Weeping Water, Nebr., to Irwin, Iowa, and points in Audubon, Cass, Shelby, Pottawattamie, Guthrie, Crawford, Carroll, Adair, Dallas, Boone, Greene, Plymouth, Cherokee, Buena Vista, Pocahontas, Woodbury, Ida, Sac, and Calhoun Counties, Iowa, and *rejected shipments*, on return. NOTE: If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 127881 (Sub-No. 1), filed April 25, 1966. Applicant: VIC HAULING CO., a corporation, 2528 Charann Street, St. Charles, Mo. Applicant's representative: A. A. Marshall, 216-218

Buder Building, St. Louis, Mo., 63101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Haydite*, in bulk, from Fairview, Ill., to the plantsite of Kirchner Manufacturing Co. located in St. Louis County, Mo., and the plantsite of Mid-Con, Inc., located at Wentzville, Mo. NOTE: If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo.

No. MC 127988 (Sub-No. 2), filed April 25, 1966. Applicant: LEON F. FIALA, doing business as FIALA FEED & GRAIN CO., Osceola, Nebr., 68651. Applicant's representative: C. A. Ross, 1004-1005 Trust Building, Lincoln 8, Nebr. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Feed ingredients*, to be used in dry animal and poultry feeds, *dry animal and poultry minerals feed mixtures*, from Osceola, Nebr., to points in Iowa, Kansas, Minnesota, and South Dakota, and *rejected shipments and exempt commodities*, on return. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr.

No. MC 128136, filed April 21, 1966. Applicant: CHARLES F. BRICKER, doing business as FARM & FOREST TRUCK SERVICE, 1648 North Lincoln Avenue, Salem, Ohio. Applicant's representative: Jay B. Zellar, 47 North Fourth Street, Zanesville, Ohio, 43701. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Dressed lumber*, from Drakes Branch, Va., to points in Ohio, Pennsylvania, and West Virginia. NOTE: Applicant states that it will transport exempt agricultural commodities (hay) on return. If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

MOTOR CARRIERS OF PASSENGERS

No. MC 1934 (Sub-No. 23), filed April 21, 1966. Applicant: THE ARROW LINE, INC., 70 Florence Street, East Hartford, Conn. Applicant's representative: Thomas W. Murrett, 410 Asylum Street, Hartford, Conn. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, when moving in the same vehicle with passengers, in special round-trip operations, during the racing seasons of each year at the racetrack specified, beginning and ending at Hartford, Conn., and extending to the site of the Aqueduct Racetrack, New York, N.Y. NOTE: If a hearing is deemed necessary, applicant requests it be held at Hartford, Conn.

No. MC 59238 (Sub-No. 60), filed April 25, 1966. Applicant: VIRGINIA STAGE LINES, INCORPORATED, 114 Fourth Street SE., Charlottesville, Va. Applicant's representative: James E. Wilson, 1735 K Street NW., Washington, D.C., 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage and express and newspapers*, in the same vehicle with passengers, between junction U.S. Highway 29

and Interstate Highway 66 and junction Interstate Highway 495 and Interstate Highway 66, over Interstate Highway 66, serving all intermediate points, and serving the junction Interstate Highway 495 and Interstate Highway 66 for purposes of joinder only. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 61016 (Sub-No. 28), filed April 21, 1966. Applicant: PETER PAN BUS LINES, INC., 144 Bridge Street, Springfield, Mass. Applicant's representative: Frank Daniels, 15 Court Square, Boston, Mass., 02108. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage*, and *express and newspapers*, in the same vehicle with passengers, between Amherst and Greenfield, Mass.; from Amherst over Massachusetts Highway 116 to the Amherst-Sunderland line, thence over Massachusetts Highway 116 in Sunderland to the Sunderland-Deerfield line, thence over Massachusetts Highway 116 in Deerfield to junction Massachusetts Highway 5, and thence over Massachusetts Highway 5 to Greenfield, and return over the same route, serving all intermediate points. NOTE: Applicant states it does not propose to tack the proposed authority with any now held by it. If a hearing is deemed necessary, applicant requests it be held at Springfield, Mass.

No. MC 67340 (Sub-No. 5), filed April 22, 1966. Applicant: RESORT BUS LINES, INC., 31 Edgecomb Place, Yonkers, N.Y. Applicant's representative: Samuel B. Zinder, 140 Cedar Street, New York, N.Y., 10006. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage*, *express and newspapers*, between Millbrook, N.Y., and New York, N.Y., serving Fishkill, N.Y., and all intermediate points between (1) Fishkill, N.Y., and Millbrook, N.Y., from Millbrook, thence over New York Highway 82 (Highway 52), to junction U.S. Highway 9, thence over U.S. Highway 9 to junction Interstate Highway 84, thence over Interstate Highway 84 to the Thomas E. Dewey Thruway, thence over the Thomas E. Dewey Thruway to junction Garden State Parkway, thence over Garden State Parkway to junction Interstate Highway 80, thence over Interstate Highways 80 and 95 to George Washington Bridge, thence over the George Washington Bridge to New York, N.Y., and (2) between Hopewell Junction and the intersection of New York Highways 82 and 52, serving all intermediate points, including the plant of the International Business Machines, from Hopewell Junction over New York Highway 376 to junction at East Fishkill with New York Highway 52, thence over New York Highway 52 to junction with New York Highway 82. NOTE: Applicant states that the aforementioned authority will be used in connection with its existing regular route authority. If a hearing is deemed necessary, applicant does not specify a location.

No. MC 109802 (Sub-No. 26), filed April 25, 1966. Applicant: LAKELAND BUS LINES, INC., East Blackwell Street, Dover, N.J. Applicant's representative: Bernard Flynn, Jr., York-Flynn Building, East Blackwell Street, Dover, N.J. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage*, and *newspapers and express*, in the same vehicle with passengers, between Sparta Township, N.J., and Port Jervis, N.Y.; from Sparta Township over New Jersey Highway 15 to junction U.S. Highway 206, thence over U.S. Highway 206 to Montague, N.J., thence over toll bridge and connecting roads to Milford, Pa., and thence over U.S. Highway 209 (U.S. Highway 6) to Port Jervis, and return over the same route, serving all intermediate points, and further for tacking purposes, with service to points on applicant's presently authorized regular-route, in MC 109802 and Subs 12 and 13, wherein it is authorized to operation in the States of New York and New Jersey. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Dover, N.J.

No. MC 120083 (Sub-No. 6), filed April 25, 1966. Applicant: LINCOLN COACH LINES, 1008 Lincoln Highway West, Irwin, Pa. Applicant's representative: James W. Hagar, Commerce Building, Post Office Box 432, Harrisburg, Pa., 17108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, in special operations, beginning and ending at points in Allegheny, Bedford, Butler, Crawford, Mercer, Somerset, Venango, and Westmoreland Counties, Pa., and extending to points in the United States, including Alaska, but excluding Hawaii. NOTE: If a hearing is deemed necessary, applicant requests it be held at Pittsburgh, Pa.

APPLICATIONS IN WHICH HANDLING WITHOUT ORAL HEARING HAS BEEN REQUESTED

No. MC 93003 (Sub-No. 49), filed April 22, 1966. Applicant: CARROLL TRUCKING CO., 4901 U.S. Route 60, E. Huntington, W. Va. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel*, and iron and steel articles as described in 61 M.C.C. 209 (except those commodities which because of size or weight require special equipment and those articles of iron and steel which are building materials), from Huntington, W. Va., to points in Kansas, Minnesota, Nebraska, South Dakota, and Wisconsin, and *refused and rejected shipments*, on return.

No. MC 125102 (Sub-No. 7), filed April 21, 1966. Applicant: LEONARD DeLUE, D. J. SEBERN, T. W. RINKER, E. L. DeLUE, and TED P. RINKER, a partnership, doing business as ARMORED MOTORS SERVICE, 970 Yuma Street, Denver, Colo. Applicant's representative: O. Russell Jones, 207 Bokum Building, 142 West Palace Avenue, Santa Fe, N. Mex., 87501. Authority sought to operate as a *contract carrier*,

by motor vehicle, over irregular routes, transporting: *Currency, coin, bonds and securities*, in armored cars, accompanied by armed guards, between El Paso, Tex., on the one hand, and, on the other, points in Santa Cruz and Greenlee Counties, Ariz. NOTE: Applicant states the proposed operation herein applied for is to be performed under a continuing contract, or contracts, with the Federal Reserve Bank of Dallas, Dallas, Tex.

No. MC 127973 (Correction), filed February 14, 1966, published FEDERAL REGISTER, issue of March 10, 1966, and republished as corrected, this issue. Applicant: GLENN D. ENGHUSEN, doing business as GLENN'S, Highway 93 North, Eureka, Mont. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, lumber products, and building materials*, between Eureka, Mont., and Spokane, Wash. NOTE: The purpose of this republication is to add applicant's trade name, inadvertently omitted from previous publication.

No. MC 128030 (Sub-No. 18), filed April 25, 1966. Applicant: THE STOUT TRUCKING CO., INC., Box 167 Rural Route No. 1, Urbana, Ill. Applicant's representative: W. L. Jordan, 201 Merchants Savings Building, Terre Haute, Ind. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, in containers, from Milwaukee, Wis., to Loda, Ill., and *empty malt beverage containers*, on return. NOTE: Common control may be involved.

No. MC 128030 (Sub-No. 19), filed April 26, 1966. Applicant: THE STOUT TRUCKING CO., INC., Box 167 Rural Route No. 1, Urbana, Ill. Applicant's representative: W. L. Jordan, 201 Merchants Savings Building, Terre Haute, Ind., 47801. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bleachers, grandstands and portable grandstand seats and component parts thereof, and supplies therefor*, from Urbana, Ill., to points in California, Idaho, Oregon, and Washington. NOTE: Common control may be involved.

No. MC 128135, filed April 20, 1966. Applicant: KEN ROY SERVICE, INC., 91 Magnolia Avenue, Westbury, Nassau County, N.Y. Applicant's representative: Joseph Fennelly, Jr., 115 Broadway, New York 6, N.Y. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Canned fruits, vegetables and juices*, from Port Newark, (2) *toys*, seasonal for the Christmas holiday during July or August, from North Elizabeth, (3) *canned cranberry sauce and cranberry juice*, seasonal for Thanksgiving and Christmas, from Bordentown, and (4) *hawaiian punch*, seasonal during June through September, from Trenton, N.J.; to points in Queens, Nassau, and Suffolk Counties, N.Y., for King Kullen Grocery Co., Inc.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-5121; Filed, May 11, 1966;
8:45 a.m.]

FOURTH SECTION APPLICATION FOR RELIEF

MAY 9, 1966.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

AGGREGATE-OF-INTERMEDIATES

FSA No. 40466—*Commodities between points in Texas*. Filed by Texas-Louisiana Freight Bureau, agent (No. 569), for interested rail carriers. Rates on sulphuric acid, spent or sludge, in tank carloads, from El Paso, Tex., to Littlefield, Tex.

Grounds for relief—Maintenance of depressed rates published to meet intrastate competition without use of such rates as factors in constructing combination rates.

Tariff—Supplement 50 to Texas-Louisiana Freight Bureau, agent, tariff ICC 998.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-5186; Filed, May 11, 1966;
8:48 a.m.]

[Notice 180]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

MAY 9, 1966.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules in Ex Parte No. MC 67 (49 CFR Part 240), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protest must certify that such service has been made. The protest must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined, at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 66562 (Sub-No. 2169 TA), filed May 4, 1966. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York, N.Y., 10017. Applicant's representative: Robert C. Boozer, 80 Broad Street NW., Atlanta, Ga., 30303. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities, moving in ex-*

press service, (1) between Henderson, N.C., and Boykins, Va., serving the intermediate and/or off-route points of Norlina, Macon, Littleton, Roanoke Rapids, Weldon, and Seaboard, N.C., from Henderson over U.S. Highway 158 to junction North Carolina Highway 195, thence over North Carolina Highway 195 to North Carolina-Virginia State line, thence over Virginia Highway 195 to Boykins, and return over the same route; (2) between Louisburg, N.C., and Roanoke Rapids, N.C., serving no intermediate points, from Louisburg over North Carolina Highway 561 to junction North Carolina Highway 48, thence over North Carolina Highway 48 to Roanoke Rapids, and return over the same route; (3) between Littleton, N.C., and junction North Carolina Highways 4 and 561 (only for joinder with Route 2 above), serving no intermediate points, from Littleton over North Carolina Highway 4 to junction North Carolina Highway 561, and return over the same route; (4) between Rocky Mount, N.C., and Hobgood, N.C., serving no intermediate points, from Rocky Mount over North Carolina Highway 97 to Hobgood, and return over the same route; (5) between Franklin, Va., and junction U.S. Highway 258 and North Carolina 97 (only for joinder with Route 4 above), serving the intermediate and/or off-route points of Woodland, Rich Square, and Scotland Neck, N.C., from Franklin over U.S. Highway 258 to junction U.S. Highway 258 and North Carolina Highway 97, and return over the same route.

(6) Between Rich Square, N.C., and Aulander, N.C., serving the intermediate point of Lewiston, N.C., from Rich Square over U.S. Highway 258 to junction North Carolina Highway 308, thence over North Carolina Highway 308 to Lewiston, thence over unnumbered highway to Connaritsa, N.C., thence over North Carolina Highway 305 to Aulander, and return over the same route; (7) between junction North Carolina Highways 35 and 305 (only for joinder with existing authority of applicant) and Boykins, Va., serving the intermediate and/or off-route points of Woodland and Conway, N.C., from junction North Carolina Highways 35 and 305, over North Carolina Highway 35 to North Carolina-Virginia State line, thence over Virginia Highway 35 to Boykins, and return over the same route; (8) between junction U.S. Highways 158 and 258 (only for joinder with Route 5 above) and Winton, N.C. (only for joinder with existing authority of applicant), serving no intermediate points, from junction U.S. Highways 158 and 258, over U.S. Highway 158 to Winton, and return over the same route; for 150 days. Restrictions: The service to be performed shall be limited to that which is auxiliary to or supplemental of express service of the Railway Express Agency. Shipments transported by applicant shall be limited to those moving on through bills of lading or express receipts. Supporting shippers: The application is supported by statements from 13 shippers, which may be examined here at the Interstate Commerce Commission in Washington, D.C. Send pro-

tests to: Anthony Chiusano, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y., 10013.

No. MC 95008 (Sub-No. 6 TA), filed May 4, 1966. Applicant: DAVID FISHER, doing business as FISHER SERVICE TRUCKING, Rural Delivery No. 2, Post Office Box 456, 3 Maple Lane, Melody Lake, Monticello, N.Y. Applicant's representative: Arthur J. Piken, 160-16 Jamaica Avenue, Jamaica, N.Y. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Shirts and pajamas*, from Waynesburg, Pa., to New Hyde Park, N.Y., restricted to delivery at the facilities of Donmoor, Inc., at New Hyde Park, N.Y., for 180 days. Supporting shipper: Donmoor-Isaacson, Inc., 34 West 33d Street, New York, N.Y., 10001. Send protests to: Charles F. Jacobs, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 215-217 Post Office Building, Binghamton, N.Y., 13902.

No. MC 107002 (Sub-No. 306 TA), filed May 4, 1966. Applicant: HEARIN-MILLER TRANSPORTERS, INC., W. S. Highway 80 West, Post Office Box 1123, Jackson, Miss., 39205. Applicant's representative: D. D. Kennedy (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid plastics*, in bulk, in tank vehicles, from Hattiesburg, Miss., to Bogalusa, La., for 180 days. Supporting shipper: Hercules Powder Co., Inc., Traffic Department, Wilmington, Del., 19899 (John A. Bull, assistant manager, truck division). Send protests to: Floyd A. Johnson, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 320 U.S. Post Office Building, Jackson, Miss., 39201.

No. MC 113855 (Sub-No. 132 TA), filed May 4, 1966. Applicant: INTERNATIONAL TRANSPORT, INC., W. S. Highway 52 South, Rochester, Minn., 55901. Applicant's representatives: Van Osdell, Foss & Johnson, 502 First National Bank Building, Fargo, N. Dak. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Loaders, conveyors, screens, grizzlies, bins, light towers, idlers, prefabricated concrete forms, steel scaffolding, and attachments, parts and accessories for the above-named commodities*; from Yankton, S. Dak., and points within 2 miles thereof, to points in the United States, except Hawaii, for 180 days. Supporting shippers: Morgen Manufacturing Co., 117 West Third, Yankton, S. Dak.; Kolberg Manufacturing Corp., Post Office Box 20, West 21st Street, Yankton, S. Dak. Send protests to: C. H. Bergquist, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn., 55401.

No. MC 114969 (Sub-No. 24 TA), filed May 4, 1966. Applicant: PROPANE TRANSPORT, INC., 27 Water Street, Post Office Box 22, Milford, Ohio, 45150. Applicant's representative: James M. Roubeshush (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia*, in bulk, in tank vehicles, from the plant site of the Agrico Chemical Co., Division of Continental Oil Co., at or near Wilder, Ky., to points in Illinois, Indiana, Michigan (Lower Peninsula), and Ohio, for 150 days. Supporting shipper: James J. Kerr, Agrico Chemical Co., Division of Continental Oil Co., 1222 Riverside Boulevard, Memphis, Tenn., 38101. Send protests to: Emil P. Schwab, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 1010 Federal Building, 550 Main Street, Cincinnati, Ohio, 45202.

No. MC 123157 (Sub-No. 12 TA), filed May 4, 1966. Applicant: CEMENT TRANSPORTERS, INC. Rillito, Ariz. Applicant's representative: A. Michael Bernstein, 1327 Guaranty Bank Building, Phoenix, Ariz. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Cement*, from Rillito and Clarkdale, Ariz., to the port of entry on the international boundary line between the United States and Mexico, at or near Douglas, Ariz., for 180 days. Supporting shippers: Phoenix Cement Co., Division of American Cement Corp., 3550 North Central, Phoenix, Ariz., 85012; Arizona Portland Cement Co., Osborn Plaza Building, 222 West Osborn Road, Phoenix, Ariz., 85013. Send protests to: Andrew V. Baylor, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 4006 Federal Building, Phoenix, Ariz., 85025.

No. MC 123383 (Sub-No. 18 TA), filed May 4, 1966. Applicant: BOYLE BROTHERS, INC., 256 River Road, Edgewater, N.J., 07020. Applicant's representative: Bert Collins, 140 Cedar Street, New York, N.Y., 10006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Building materials*, from the plantsite of Georgia-Pacific Corp., Bestwall Division, Wilmington, Del., to points in Virginia, Maryland, District of Columbia, Pennsylvania, New York, New Jersey, West Virginia, Connecticut, Massachusetts, and Rhode Island, *returned shipments* in opposite direction; *paper*, from plantsite of above-named shipper in Delair, N.J., to the above-named shipper's plantsite in Wilmington, Del., for 180 days. Supporting shipper: Georgia-Pacific Corp., Bestwall Gypsum Division, 2 Industrial Boulevard, Paoli, Pa., 19301. Send protests to: Joel Morrows, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 1060 Broad Street, Newark, N.J., 07102.

No. MC 124987 (Sub-No. 6 TA), filed May 4, 1966. Applicant: EARL L. BON-

SACK, 1129 Vine Street, La Crosse, Wis., 54601. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, from La Crosse and Sheboygan, Wis., to Albert Lea, Alexandria, Bemidji, Duluth, Eagle Lake, Sauk Centre, Two Harbors, and Virginia, Minn., for 180 days. Supporting shipper: G. Heileman Brewing Co., Inc., La Crosse, Wis., 54601. Send protests to: C. W. Buckner, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 214 North Hamilton Street, Madison, Wis., 53703.

No. MC 127989 (Sub-No. 1 TA), filed May 4, 1966. Applicant: DOLPHIN TRANSPORT LTD., 1132 35th Street SE., Calgary, Alberta, Canada. Applicant's representative: Keith N. Walkam, 900 Lancaster Building, Calgary, Alberta, Canada. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Building stone*, from Gardiner, Livingston, Neihart, and Great Falls, Mont., to the boundary line between the United States and Canada at the port of entry near Sweetgrass, Mont., for 180 days. Supporting shipper: Western Stone Products, Ninth Avenue and 23d Street SE., Calgary, Alberta, Canada. Send protests to: Paul J. Labane, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, U.S. Post Office Building, Billings, Mont., 59101.

No. MC 128148 TA, filed May 4, 1966. Applicant: C. E. EVANS, doing business as C. E. TRANSPORT, Fifth and College Streets, Bowling Green, Ky., 42101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used cars*, from Indianapolis, Ind., to Bowling Green, Ky., for 180 days. Supporting shipper: Billy D. Miller, owner, Miller Used Cars, Fifth and College Streets, Bowling Green, Ky., 42101. Send protests to: Wayne L. Merilatt, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 426 Post Office Building, Louisville, Ky., 40202.

No. MC 128154 TA, filed May 4, 1966. Applicant: DAVID M. PERRIN, Rural Route 1, Princeton, Ind. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Dry fertilizer*, from National Stockyards, East St. Louis, Ill., to points in Sullivan, Spencer, and Posey Counties, Ind., for 90 days. Supporting shipper: Agricultural Chemical Division of Swift & Co., Inc., East St. Louis, Ill. Send protests to: R. M. Hagarty, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 802 Century Building, 36 South Penn Street, Indianapolis, Ind., 46204.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-5187; Filed, May 11, 1966; 8:48 a.m.]

[Notice 1344]

MOTOR CARRIER TRANSFER PROCEEDINGS

MAY 9, 1966.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-68629. By order of May 6, 1966, the Transfer Board approved the transfer to Fulton Moving & Storage, Inc., Portland, Ore., of the operating rights in certificate No. MC-19627, issued August 17, 1956, to James A. Larpenteur, doing business as Fulton Transfer & Storage, Portland, Ore., authorizing the transportation, over irregular routes, of household goods and immigrant movables between Portland, Ore., and points within 3 miles thereof, on the one hand, and, on the other, points in Washington and Oregon. Earle V. White, 2130 Southwest Fifth Avenue, Portland, Ore., 97201, attorney for applicants.

No. MC-FC-68637. By order of May 6, 1966, the Transfer Board approved the transfer to Otto Stritesky, Silver Lake, Minn., of the certificate of registration No. MC-121080 (Sub-No. 1), issued May 11, 1965, to Milo Stritesky and Otto Stritesky, Silver Lake, Minn., evidencing a right to engage in the transportation of: Freight, between specified points in Minnesota. A. R. Fowler, 2288 University Boulevard, St. Paul, Minn., 55114, representative for applicants.

No. MC-FC-68641. By order of May 6, 1966, the Transfer Board approved the transfer to Charles Hellrigel & Son, Moving & Storage Warehouses, Inc., Newark, N.J., of the certificate in No. MC-46060, issued November 15, 1965, to Charles M. O'Connor, doing business as Charles Hellrigel & Son, Newark, N.J., authorizing the transportation of: Household goods, between points and places in New Jersey, on the one hand, and, on the other, points in Pennsylvania, Connecticut, Rhode Island, Massachusetts, New York, and Maryland. Herman B. J. Weekstein, 1060 Broad Street, Newark 2, N.J., attorney for applicants.

No. MC-FC-68658. By order of May 5, 1966, the Transfer Board approved the transfer to John M. Peterson, Sugar Grove, Pa., of certificates in Nos. MC-35086 and MC-35086 (Sub-No. 1), issued December 14, 1942, and May 25, 1949, respectively, to Carl E. Allen, Sugar Grove, Pa., authorizing the transportation, over irregular routes, of: Raw milk, from points and places in that part of Warren County, Pa., north of U.S. Highway 6, west of U.S. Highway 62, and east of Pennsylvania Highway 958, including

points and places on the indicated portions of the highways specified, to Frewsburg, N.Y.; general commodities, excluding commodities in bulk, and other specified commodities, between Sugar Grove, Pa., on the one hand, and, on the other, points and places in that part of New York on and west of New York Highway 18; and food, grain, fertilizer, and livestock, between Sugar Grove, Pa., and points and places in Pennsylvania within 18 miles thereof, on the one hand, and, on the other, points and places in New York on and west of New York Highway 18. Kenneth T. Johnson, Johnson, Peterson, Tener & Anderson, Bank of Jamestown Building, Jamestown, N.Y., 14701, attorney for applicants.

No. MC-FC-68660. By order of May 5, 1966, the Transfer Board approved the transfer to Joseph P. Weiner and Dale E. Weiner, a partnership, doing business as Weiner Brothers Truck Line, Humboldt, Kans., of the operating rights of Frederick J. Johanning, doing business as Johanning Truck Line, Kincaid, Kans., in certificates Nos. MC-9104 and MC-9104 (Sub-No. 1), issued September 6, 1949, and August 17, 1959, respectively, authorizing the transportation, over regular routes, of livestock, between Kincaid, Kans., and Kansas City, Mo., and of feed, agricultural implements and parts, hardware, twine, building material, fencing material, furniture, petroleum products in containers, and livestock, from Kansas City to Kincaid, serving also Kansas City, Kans., and points within 15 miles of Kincaid; and, over irregular routes, emigrant movables, between Kincaid, Kans., and points within 15 miles thereof, on the one hand, and, on the other, points in Iowa, Missouri, and Nebraska, livestock, grain, and hay, from Blue Mound, Kans., and points within 15 miles thereof, to Kansas City, Kans., and Kansas City and North Kansas City, Mo., and general commodities, excluding household goods, commodities requiring special equipment, and other specified commodities, from Kansas City and North Kansas City, Mo., and Kansas City, Kans., to Blue Mound, Kans., and points within 15 miles thereof. James F. Grimes, Jr., Cosgrove, Webb, & Oman, First National Bank Building, Topeka, Kans., 66603, attorney for applicants.

No. MC-FC-68479. By order of May 6, 1966, the Transfer Board approved the transfer to Campbell Transportation, Inc., Caldwell, Idaho, of the certificates in Nos. MC-125887, MC-125887 (Sub-No. 1), and MC-125887 (Sub-No. 2), issued August 4, 1964, August 17, 1964, and November 9, 1965, respectively, to Dorsey Campbell, Caldwell, Idaho, authorizing the transportation of: Cotton seed, linseed, and safflower meals and cake, oyster shell, hay, stock salt, from points in a specified California territory to points in Harney and Malheur Counties, Ore., and that part of Idaho on and south of U.S. Highway 12; stock salt, from Redmond, Utah, to points in Harney and Malheur Counties, Ore., and points in Idaho, on and south of U.S. Highway 12; and inedible meat scraps, from points in Idaho, on and south of U.S. Highway 12, to points in California on and south of U.S. Highway 40, and California Highway

20. Dean E. Miller, 1801 Ellis Street, Caldwell, Idaho, 83605, attorney for applicants.

[SEAL]

H. NEIL GARSON,
Secretary.[F.R. Doc. 66-5188; Filed, May 11, 1966;
8:48 a.m.]

[No. MC-C-1891]

OILFIELD EQUIPMENT, MATERIALS AND SUPPLIES TO AND BETWEEN THE SOUTHWEST

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 8th day of April A.D. 1966.

Upon consideration of the record in the above-entitled proceeding, petition filed by Armco Steel Corp., on December 30, 1965, for reopening, rehearing, and reconsideration, or, in the alternative, modification or vacation of all outstanding orders; petition filed by Western Lines, Inc., on January 25, 1966, for permission to depart from the minimum rate orders in the above-entitled proceeding; petition filed by Lone Star Steel Co., on February 14, 1966, for partial exemption from, or modification of, or vacation of, or territorial expansion of the above-mentioned minimum rate orders with respect to the pipe group; replies thereto filed January 14, 1966, by Shippers Oil Field Traffic Association and February 14, and March 7, 1966, by Oil Field Haulers Association, Inc.; and for good cause shown:

It is ordered, That this proceeding be, and it is hereby, reopened for the purpose of permitting interested parties to submit written representations concerning whether the outstanding minimum rate orders should be modified; if so, in what specific manner; and why.

It is further ordered, That anyone other than petitioners who desires to actively participate in this further proceeding shall notify the Secretary of the Commission to that effect within 30 days from the date of service of this order, after which the Secretary will prepare and serve a list of interested parties who desire to participate.

It is further ordered, That representations shall be filed with the Secretary of the Commission (verified, where facts are included, original and 14 copies) and served upon all persons shown on the aforesaid list of interested parties according to the following schedule: (a) All initial representations, whether in support of or in opposition to modification of the orders, within 70 days from the service date of this order; and (b) replies thereto within 30 days thereafter.

And it is further ordered, That a copy of this order be served on all parties; that a copy be deposited in the Office of the Secretary of the Commission; and that a copy be delivered to the Director, Division of the Federal Register, for publication in the FEDERAL REGISTER.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.[F.R. Doc. 66-5189; Filed, May 11, 1966;
8:48 a.m.]

DEPARTMENT OF DEFENSE

Department of the Army

DESCRIPTION OF CENTRAL AND FIELD AGENCIES

Statement of Organization and Functions

Sections 2, 3, 4, and 5 of the Statement of Organization and Functions, Department of the Army, appearing at 28 F.R. 4029, April 24, 1963, and amended at 28 F.R. 4624, May 8, 1963, and at 29 F.R. 15960, December 1, 1964, are superseded by the following sections:

SEC. 2. Headquarters, Department of the Army; Office of the Secretary of the Army.—(a) *Office of the Secretary of the Army.* The Office of the Secretary of the Army is composed of the Secretary, the Under Secretary, three Assistant Secretaries, the Director of Civil Defense, the General Counsel, the Administrative Assistant, the Chief of Legislative Liaison, the Chief of Public Information, and such staff as may be required.

(b) *Secretary of the Army.* (1) The powers and duties of the Secretary of the Army are set forth in section 3012 (b), (c), (d), (e), (f), and (g), title 10, United States Code, which states—

(b) The Secretary is responsible for and has the authority necessary to conduct all affairs of the Department of the Army, including—

(1) Functions necessary or appropriate for the training, operations, administration, logistical support and maintenance, welfare, preparedness, and effectiveness of the Army including research and development; and

(2) Such other activities as may be prescribed by the President or the Secretary of Defense as authorized by law.

He shall perform such other duties relating to Army affairs, and conduct the business of the Department in such manner, as the President or the Secretary of Defense may prescribe. The Secretary is responsible to the Secretary of Defense for the operation and efficiency of the Department. After first informing the Secretary of Defense, the Secretary may make such recommendations to Congress relating to the Department of Defense as he may consider appropriate.

(c) The Secretary may assign such of his duties as he considers appropriate to the Under Secretary of the Army and to the Assistant Secretaries of the Army. Officers of the Army shall, as directed by the Secretary, report on any matter to the Secretary, the Under Secretary, or an Assistant Secretary.

(d) The Secretary or, as he may prescribe, the Under Secretary or an Assistant Secretary shall supervise all matters relating to—

(1) The procurement activities of the Department of the Army; and

(2) Planning for the mobilization of materials and industrial organizations essential to the wartime needs of the Army.

(e) The Secretary, as he considers appropriate, may assign, detail, and prescribe the duties of members of the Army and civilian personnel of the Department of the Army.

(f) The Secretary may change the title of any other officer, or of any activity, of the Department of the Army.

(g) The Secretary may prescribe regulations to carry out his functions, powers, and duties under this title.

(2) The Secretary of the Army, pursuant to Executive Order 10952 of July 20, 1961 (26 F.R. 6577 as amended), has been assigned responsibility for the development and execution of the civil defense program assigned by the President to the Secretary of Defense.

(c) *Authority of the Under and Assistant Secretaries, the Director of Civil Defense, the General Counsel, and the Administrative Assistant.* Subject to the direction and control of the Secretary of the Army, the Under Secretary of the Army, the Assistant Secretaries of the Army, the Director of Civil Defense, the General Counsel, and the Administrative Assistant are authorized and directed to act for the Secretary of the Army within their respective fields of responsibility as set forth in DA General Orders and as further directed by the Secretary. This authority extends not only to actions within the DA, but also to relationships and transactions with the Congress and other governmental and nongovernmental organizations and individuals. These officials are responsible for the exercise of direction and supervision over matters pertaining to the formulation, execution, and review of policies, plans, and programs within their respective functional areas, including the establishment of objectives and appraisal of performance.

(d) *Under Secretary of the Army.* The Under Secretary of the Army is the deputy to the Secretary of the Army, and, as his principal civilian assistant, acts with full authority of the Secretary in the general management of the Department. In addition he is responsible for the following:

(1) Manpower and Reserve Forces, including—

(i) Manpower management.
(ii) National Guard, Reserve, and ROTC affairs.

(2) Military and Civilian Personnel Management, including—

(i) Personnel management.
(ii) Education and individual training.
(iii) Human factors research (in coordination with the Assistant Secretary of the Army (R&D)).

(iv) Employment policy and employee-management relations.

(v) Morale and welfare.

(vi) Civil rights and equal opportunity.

(3) International and Civil Affairs, including—

(i) Civil administration of the Ryukyu Islands.

(ii) Canal Zone Government and Panama Canal Company.

(iii) Military support of civil defense and of civil authorities in natural disaster relief, including serving as contact point between the Director of Civil Defense and the Army Staff.

(iv) Cold war activities, including special warfare, civic actions and counterinsurgency.

(v) Intelligence, counterintelligence, and communications security.

(vi) Sea Level Canal affairs.

(4) Personnel security and disciplinary matters, including custody of military prisoners.

(5) Operations research.

(e) *Assistant Secretary of the Army (Financial Management).* The Assistant Secretary of the Army (Financial Management) is responsible for the following:

(1) Budget and funding.

(2) Accounting matters, including disbursement and collection of funds.

(3) Contract financing and management engineering policy to include management-type contracts.

(4) Audit activities, claims, reports of survey, and matters pertaining to loss of funds.

(5) Automatic data processing equipment program and all aspects of ADP policy and administration.

(6) Progress and statistical reporting.

(7) Programing concepts and systems.

(8) Working capital funds, including stock funds and industrial funds.

(9) Management information systems.

(10) International balance of payments activities.

(f) *Assistant Secretary of the Army (Installations and Logistics).* The Assistant Secretary of the Army (Installations and Logistics) is responsible for the following:

(1) Logistics, including—

(i) Determination of materiel requirements.

(ii) Procurement and production.

(iii) Materiel management.

(iv) Logistic services.

(v) Military Assistance Program (exclusive of Financial Management).

(vi) Industrial mobilization.

(2) Installations, including—

(i) Installation planning and programming.

(ii) Facilities and real property management.

(iii) Construction.

(iv) Family Housing.

(g) *Assistant Secretary of the Army (Research and Development).* The Assistant Secretary of the Army (Research and Development) is responsible for the following:

(1) Research and Development, including—

(i) Basic and applied research.

(ii) Research, development, test and evaluation (RDTE) of weapons, weapons systems, and Army materiel.

(iii) RDTE budget and funding programs.

(iv) Acquisition and utilization of research and development facilities and equipment.

(v) RDTE procurement, including the application of procurement policy thereto.

(vi) Integration of technology with military requirements.

(vii) Army Scientific Advisory Panel matters.

(2) Mapping and Geodetic Programs.

(h) *Director of Civil Defense.* The Director of Civil Defense is responsible for the formulation, development, execution, and administration of the national civil defense program. This includes—

(i) Fallout Shelter Program.

(ii) Civilian chemical, biological, and radiological (CBR) warfare defense program.

(iii) Civil defense warning, alerting, and communications.

(iv) Emergency assistance to State and local governments in a postattack period.

(v) Protection and emergency operational capability of State and local governments.

(vi) Financial assistance and donation of Federal surplus property to the States for civil defense purposes.

(vii) Post-attack damage assessment.

(viii) Civil defense research and development.

(ix) Civil defense training, education, public information, and industrial participation.

(x) Advising the Secretary of the Army on policy and program aspects of military support of civil defense.

(i) *General Counsel.* The General Counsel is directly responsible to the Secretary of the Army. He serves as civilian legal advisor to the Secretary, the Under Secretary, and the Assistant Secretaries of the Army and provides professional guidance to the legal staff of the Director of Civil Defense. In addition, he acts as Special Assistant to the Secretary of the Army for Civil Functions and is assigned responsibility for the civil functions of the DA.

(j) *The Administrative Assistant.* The Administrative Assistant is directly responsible to the Secretary of the Army. He serves as an assistant to the Secretary on matters pertaining to the administration of the Office of the Secretary of the Army and the HQDA. Specifically, he is responsible for—

(1) Acting for the Secretary of the Army in an extensive variety of day-to-day matters, when consistent with known attitudes of the Secretary, oral delegations, or precedents of long standing. Conducts studies and analyses as directed.

(2) Acting for the Secretary of the Army on policy matters relating to administrative services by and for the HQDA and supervising control of general purpose space in the Washington, D.C., area, employment coordination for the Washington, D.C., commuting area, and the operations of the Defense Telephone Service-Washington and the Defense Supply Service-Washington.

(3) Administering, pursuant to the policy direction of the Under Secretary of the Army, the DA civilian personnel security program.

(4) Providing effective administration of the Office of the Secretary of the Army, including comprehensive management programs, administrative coordination of Secretarial level actions, personnel administration, and correspondence and records administration.

(5) Administering the DA Committee Management Program.

(k) *Chief of Legislative Liaison.* The Chief of Legislative Liaison is directly responsible to the Secretary of the Army and is responsive to the Chief of Staff for the formulation, coordination, and supervision of policies and programs concerning the Army's relations with the Congress. He is responsible for liaison

between the Army and Members and committees of Congress, except with the appropriations committees in areas affecting budgets, appropriations, and related financial matters, and except for civil works, civil defense, and printing matters. Specifically, the Chief of Legislative Liaison is responsible for—

(1) Providing advice on the status of Congressional developments affecting the Army and on legislative aspects of Army policies, plans, and programs.

(2) Providing a central point for DA contact with Members and committees of the Congress.

(3) Providing prompt, coordinated, and factual information on Army policies and operations in response to inquiries received from Members and committees of the Congress.

(4) Coordinating, monitoring, and reporting on legislative and investigative actions of interest to the Army, and providing counsel to Army witnesses called to appear before legislative or investigative committees.

(l) *Chief of Public Information.* The Chief of Public Information is directly responsible to the Secretary of the Army and is responsive to the requirements of the Chief of Staff in public information matters. Specifically, he is responsible for—

(1) Formulating Army public information policies.

(2) Advising the Secretary of the Army, the Chief of Staff, and agencies of the DOD on public information matters relating to public understanding and support of the Army.

(3) Advising and assisting the Secretary of Defense, through the Assistant Secretary of Defense (Public Affairs) in the development and accomplishment of DOD information objectives, as requested.

(4) Coordination and supervision of the worldwide implementation of public information policies and programs of the DA.

(5) Supervision of the Army's public information security review program in the field.

(6) Serving as designated agent in the Office of the Secretary of the Army for implementation of section 18, Executive Order 10501, within the DA, to insure that no information is withheld which the people of the United States have a right to know. Processes requests from external agencies or individuals for access to or release of classified information in Army custody under this paragraph.

THE ARMY STAFF

(m) *Army Staff.* (1) The Army Staff is that portion of the staff of the Secretary of the Army at the seat of government, which is presided over by the Chief of Staff. It includes a general staff and special staff as defined hereinafter.

(2) The duties of the Army Staff are set forth in section 3032 (a) and (b), title 10, United States Code, as amended, which states—

(a) The Army Staff shall furnish professional assistance to the Secretary, the Under

Secretary, and the Assistant Secretaries of the Army.

(b) Under the direction and control of the Secretary, the Army Staff shall—

(1) Prepare for such employment of the Army, and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Army, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff;

(2) Investigate and report upon the efficiency of the Army and its preparation for military operations;

(3) Prepare detailed instructions for the execution of approved plans and supervise the execution of those plans and instructions;

(4) Act as agent of the Secretary and the Chief of Staff in coordinating the action of all organizations of the Department of the Army; and

(5) Perform such other duties, not otherwise assigned by law, as may be prescribed by the Secretary.

(3) The Army Staff is organized as a balanced functional and process oriented entity. Each of its members is charged with performing specifically identified functions which, together, embrace all elements of the mission of the Army. Each represents the Chief of Staff in his area of interest and is responsible through prescribed channels to the Chief of Staff and the Secretary of the Army. Each represents the Army on all matters under his staff cognizance, within the guidance of his designated superiors, to his counterparts in the Office, Secretary of Defense, other governmental agencies, the Congress, and the public. Collectively, the Army Staff acts as the agent of the Secretary and the Chief of Staff in supervising the plans, duties, and operations of all organizations of the Army. Individually, each of its members either directly or indirectly is concerned with all Army affairs. Interchange of information and integration of staff actions among members are essential to its effective functioning as a single coordinating unit. To facilitate information flow and coordination, and to reduce the span of control that otherwise would be required of the Chief of Staff and the Vice Chief of Staff, designated elements of the Special Staff are placed under the general staff supervision of designated agencies of the General Staff. However, General and Special Staff agencies are authorized direct communication and access to one another in their respective areas of interest.

(n) *Army General Staff.* (1) The Army General Staff consists of designated officers assigned to the Office of the Chief of Staff, offices of the Deputy Chiefs of Staff, Office of the Comptroller of the Army, Office of the Chief of Research and Development, Office of the Chief, Office of Reserve Components, offices of the Assistant Chiefs of Staff, the General Staff Committees on Army National Guard and Army Reserve Policy (to include resident members only), and such other offices as may be designated by the Secretary of the Army. These offices are termed Army General Staff agencies.

(2) Under the direction of the Chief of Staff, the Army General Staff renders professional advice and assistance to the Secretary, the Under Secretary, and the Assistant Secretaries of the Army, in developing and providing broad basic policies, plans, and programs for the guidance of the DA. The Army General Staff specifically assists the Secretary of the Army in the preparation and issuance of directives and programs to implement such plans and policies, and in the supervision of the execution and implementation of these directives and programs.

(c) *Office of the Chief of Staff.* The Office of the Chief of Staff is composed of the Chief of Staff, Vice Chief of Staff, Secretary of the General Staff, Special Assistant to the Chief of Staff for Special Warfare Activities, Special Assistant to the Chief of Staff for Army Information and Data Systems, Director of Special Studies, Director of Army Programs, Director of Coordination and Analysis, Deputy Secretaries of the General Staff, and such staff as may be required.

(p) *Chief of Staff.* The duties of the Chief of Staff are set forth in section 3034 (c) and (d), title 10, United States Code, as amended, as follows:

(c) Except as otherwise prescribed by law and subject to section 3012 (c) and (d) of this title, the Chief of Staff performs his duties under the direction of the Secretary of the Army, and is directly responsible to the Secretary for the efficiency of the Army, its preparedness for military operations, and plans therefor.

(d) The Chief of Staff shall—

(1) Preside over the Army Staff;

(2) Send the plans and recommendations of the Army Staff to the Secretary, and advise him with regard thereto;

(3) After approval of the plans or recommendations of the Army Staff by the Secretary, act as the agent of the Secretary in carrying them into effect;

(4) Exercise supervision over such of the members and organizations of the Army as the Secretary of the Army determines.¹ Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders under section 124 of this title;

(5) Perform the duties described for him by sections 141 and 171² of this title and other provisions of law; and

(6) Perform such other military duties, not otherwise assigned by law, as are assigned to him by the President.

(q) *Vice Chief of Staff.* The Vice Chief of Staff is the principal assistant and advisor to the Chief of Staff. By delegation of the Chief of Staff, the Vice Chief of Staff has authority to perform any statutory or other duties which the Chief of Staff is required or authorized to perform with respect to the DA. In the performance of his duties, the Vice Chief of Staff is responsible for effective administration and management of the Army Staff and insures coordination of

the Deputy Chiefs of Staff and the heads of Army Staff agencies reporting to the Chief of Staff.

(r) *Secretary of the General Staff.* The Secretary of the General Staff serves as executive assistant to the Chief of Staff and the Vice Chief of Staff. He assists the Vice Chief of Staff in the management and coordination of Army Staff activities. He serves as director of the Office of the Chief of Staff and coordinates all of its activities.

(s) *General Staff Committees on Army National Guard and Army Reserve Policy* (section 3033, title 10, United States Code). The General Staff Committees on Army National Guard and Army Reserve Policy are responsible for formulating and/or reviewing all policies affecting the Army National Guard and the Army Reserve; for submitting recommendations thereon to the Secretary of the Army, through the Chief of Staff; and for reviewing regulations designed to carry such policies into effect.

(t) *Special Assistant to the Chief of Staff for Special Warfare Activities.* The Special Assistant to the Chief of Staff for Special Warfare Activities serves as personal advisor to the Chief of Staff on all aspects of special warfare activities (insurgency and counterinsurgency, unconventional warfare, and psychological operations) in the Active Army and Reserve components, including all aspects of the Army's programs in these fields as well as the related programs of other services and governmental agencies. He makes recommendations as appropriate to the Chief of Staff to improve Active Army and Reserve components performance. This assignment of responsibilities is intended to supplement, not supersede, responsibilities for special warfare matters of the Deputy Chief of Staff for Military Operations and other Army Staff agency heads.

(u) *Special Assistant to the Chief of Staff for Army Information and Data Systems.* The Special Assistant for Army Information and Data Systems is the principal assistant to the Chief of Staff and Vice Chief of Staff on matters pertaining to Army information and data systems, and his office serves as the coordinating agency on the Army Staff for overall development of all such systems. This includes specific responsibility for development and implementation of plans, policies, and guidance for the Army's automatic data processing systems; supervision, coordination, and integration of the overall information and data system effort; and establishment, maintenance, and supervision of a standardized and automated information system for HQDA in coordination with the Army Staff. He exercises command authority over the U.S. Army Information and Data Systems Command (AIDSCOM). In this capacity, and as the authorized agent of the Vice Chief of Staff, he determines priorities and allocates resources within AIDSCOM, consulting with the Army Staff as appropriate.

(v) *Director of Special Studies.* The Director of Special Studies is the principal advisor in the Office of the Chief of Staff on matters pertaining to the

Army special study program and the Army study system. He is chairman of the Army Study Advisory Committee. He personally monitors, reviews, and makes appropriate recommendations to the Vice Chief of Staff concerning matters of major importance affecting the Army special study program and the Army study system. He maintains current information on the status of major studies and on study facilities and resources. He acts as general liaison officer with the Office of the Secretary of Defense, Office of the Secretary of the Army, other military departments, and other principal Government agencies to learn of new study requirements and inform them of the scope and direction of current Army Staff actions and studies which bear on the requirements. When directed, he personally conducts special studies with support from the Secretary of the General Staff, as required.

(w) *Director of Army Programs.* The Director of Army Programs is the principal staff adviser to the Chief of Staff and the Vice Chief of Staff on all matters relating to Army programing and acts for them on programing and reprograming matters not requiring their personal attention. He serves as Chairman of the Program Advisory Committee; serves as a nonvoting member of the Budget Advisory Committee; and provides Army Staff point of contact with the program offices of the Office of the Secretary of Defense, other military departments and agencies, and the Joint Staff.

(x) *Director of Coordination and Analysis.* The Director of Coordination and Analysis assists the Chief of Staff, the Vice Chief of Staff, and the Secretary of the General Staff in evaluating major military objectives, plans, programs, and systems by conducting or coordinating analysis thereof. In conducting these functions he is responsible for analytical review and conduct of independent analysis of military studies, plans, and programs involving major policies strategy, forces, organization, tactics, deployments, weapons, logistics, and command-control-communications including cost-effectiveness analysis or other operations research techniques where applicable; guidance and support to and coordination and liaison with military and civilian agencies in conducting systems analyses and operations research studies; preparation of congressional testimony and public statements of the Chief of Staff and the Vice Chief of Staff and assistance to the Army Staff in preparing visual aids; development and publication of the Chief of Staff's Weekly Summary to keep senior Army commanders or heads of Army Staff agencies informed; provision of data and backup for the Secretary of the Army and the Chief of Staff for appearances before committees of Congress; and support of the Deputy Secretary of the General Staff (Staff Action Control), as required, in developing guidance on complex staff actions and preparing or coordinating major staff actions and other actions as may be directed by the Secretary of the General Staff.

¹ The Chief of Staff is authorized by the Secretary of the Army to supervise the members and the organizations of the Army.

² These sections respectively show membership of the Chief of Staff on the Joint Chiefs of Staff and the Armed Forces Policy Council.

(y) *Deputy Secretary of the General Staff (Staff Services)*. The Deputy Secretary of the General Staff (Staff Services) is the principal assistant to the Secretary of the General Staff for all matters of a managerial nature affecting the Office of the Chief of Staff and the Army Staff. He serves as the Liaison Officer of the Chief of Staff to the White House and is the formal point of contact between HQDA and the White House on all matters except legislative actions. He has direct supervision and control of Assistant Secretaries of the General Staff involved with informational and protocol functions of the Office of the Chief of Staff, and of the chiefs of the Staff Management Division, Staff Civilian Personnel Division, Staff Communications Division, Administrative Division, and Correspondence Branch.

(z) *Deputy Secretary of the General Staff (Staff Action Control)*. The Deputy Secretary of the General Staff (Staff Action Control) is the principal assistant to the Secretary of the General Staff for the control of staff actions. He is charged with providing improved control over and responsiveness of staff actions by recommending guidance for their preparation and maintaining records of guidance and decisions concerning related major actions; arranging for the interim review of proposed responses, and for the interjection of appropriate guidance and alternatives from the Army Secretariat, Chief of Staff, and Vice Chief of Staff during the formative stages of major staff actions; performing for the Chief of Staff and Vice Chief of Staff the initial substantive review and analysis of staff actions in processing these papers for decision; and providing the principal point of contact for members of the Army Secretariat and, in appropriate instances, the Defense Secretariat and Joint Chiefs of Staff, in matters relating to Army Staff actions.

(aa) *Deputy Chief of Staff for Military Operations*. The Deputy Chief of Staff for Military Operations has Army General Staff responsibility for the establishment of requirements for and the utilization of Army forces. He exercises General Staff responsibility for the establishment of requirements for operational readiness of Army forces and for the review of unit readiness reports to monitor the capability of the Army to accomplish assigned missions. He serves as principal adviser to the Chief of Staff on Joint matters.

(1) He is the Army Operations Deputy for the Joint Chiefs of Staff.

(2) He has General Staff responsibility for—

(i) Development of strategic concepts, estimates, plans (including Army aspects of joint plans) and broad force requirements to support plans, including major United States and Allied Army units, and quantitative requirements for nuclear weapons.

(ii) Supervision of the Army Command and Control System and the operational readiness of Army forces.

(iii) Supervision and coordination of the execution of approved Army operational plans and Army participation in

joint and combined operations, to include all troop movements in the continental United States (CONUS) and between CONUS and overseas areas.

(iv) Development of the Army position on National Security Council matters and on international politico-military matters.

(v) Overall roles and missions of the Army.

(vi) Establishment of overall operational priorities for worldwide distribution of personnel and materiel.

(vii) Army Staff functions pertaining to base rights, status of forces and similar area command matters.

(viii) Coordination of Army cold war activities.

(ix) Development of broad policies and plans for military assistance programs and Army Staff functions pertaining to the operational aspects of military assistance matters, including plans for and implementation of foreign military training programs.

(x) Civil defense activities and emergency military support to civil authorities in domestic emergencies.

(xi) Civil affairs plans, programs, and operations; and civil administration in certain foreign areas.

(xii) Determination of Army policies and plans pertaining to nuclear vulnerability analysis, damage assessment and protective construction criteria.

(xiii) Coordination of DA strategic studies and related war games and analyses to evaluate United States and Allied strategic force requirements.

(xiv) Data processing systems in support of all assigned functional areas of responsibility.

(xv) Overall coordination of—

(a) Functions of the Army related to special warfare which include counterinsurgency, unconventional warfare, and psychological operations.

(b) Functions of the Army related to electronic warfare.

(xvi) Development of policy, plans, objectives, and requirements relating to outer space.

(xvii) Program and budget functions within assigned areas of responsibility.

(3) [Reserved]

(4) He exercises general staff supervision over the Chief of Communications-Electronics and the Chief of Military History.

(bb) *Deputy Chief of Staff for Personnel*. The Deputy Chief of Staff for Personnel has Army General Staff responsibility for policies, plans, and programs for the procurement and management of DA military and civilian personnel of all components of the Army on active duty.

(1) He has General staff responsibility for—

(i) [Reserved]

(ii) Actions, in consonance with Army program decisions and budgetary limitations, to program planned military and civilian manpower strengths by function for budget estimates and program planning; allocation and control of civilian manpower authorizations to major commands and agencies; military manpower authorizations to major commands and

agencies in accord with space allocations as determined by the Assistant Chief of Staff for Force Development; development of criteria for utilization of manpower; appraisal of utilization of manpower; the monitorship of manpower surveys primarily in the tables of distribution area (see AR 616-1); staffing guides and tables of distribution; and procurement and distribution of personnel. For tables of organization and equipment responsibilities, see AR 310-44.

(iii) Development and administration of a system of decentralized civilian personnel management throughout the DA, to include central policy, program and regulatory control and direction, and evaluation at all echelons.

(iv) Development and administration of a system of decentralized safety management throughout the DA, to include central policy, program control and direction, and program evaluation at all echelons.

(v) Matters pertaining to procurement, assignment, career development, utilization, promotion, welfare and morale activities, and separation of military personnel; special services policies; and the policies, plans, and programs for management of nonappropriated fund activities and nonappropriated welfare funds of the Army.

(vi) Budget formulation budget execution related to military personnel on active duty and to other designated activities.

(vii) Establishment of policies and procedures for callup of individuals of the Reserve components, and initiation of action to implement these policies and procedures when required.

(viii) Data processing systems in support of all assigned functional areas of responsibility.

(ix) Development, coordination, and publication of the Mobilization Troop Program of the Army and monitorship of the Mobilization Designation Program.

(x) Determination of Public Law 313 type civilian personnel position requirements, nominations, and salaries coordinating as appropriate with the Chief of Research and Development.

(xi) Military and civilian personnel requirements and administrative support planning in support of United States and Allied Army Forces included in Joint and Army operational plans.

(2) He exercises general staff supervision over—

(i) The Adjutant General.

(ii) The Surgeon General.

(iii) The Chief of Chaplains.

(iv) The Provost Marshal General.

(v) The Chief of Personnel Operations.

(3) The Office of the Director of the Women's Army Corps is assigned to the Office of the Chief of Staff and is attached for administrative purposes to the Office of the Deputy Chief of Staff for Personnel. The Director of the Women's Army Corps advises the Secretary of the Army and the Chief of Staff on matters relating to the Women's Army Corps.

(cc) *Deputy Chief of Staff for Logistics.* The Deputy Chief of Staff for Logistics has Army General Staff responsibility for the management of DA logistical activities.

(1) He has General Staff responsibility for—

(i) Development and supervision of the Army logistic organization and system, including policies, doctrine, and standards.

(ii) Logistic planning in support of United States and Allied Army Forces included in Joint and Army operational plans, including the logistic aspects of worldwide operational readiness of U.S. forces and materiel, and the logistic position on DA force structure and force objectives.

(iii) Materiel and supplies management, including plans, policies, and programs in matters of logistic requirements, production, supply, materiel maintenance, and materiel activities and services, including procurement programming and accomplishments.

(iv) Logistic plans, policies, and programs for military construction, family housing, real property management, and operation and maintenance of Army facilities. (Excludes policy and planning for construction and utilization of facilities for the Reserve components not on active duty.)

(v) Management and performance analysis of stock funds, industrial funds, and inventory accounting systems for logistic management purposes.

(vi) Development and supervision of Army logistic support of international logistic activities to include Military Sales, Grant Aid, and Cooperative Logistics Programs.

(vii) [Reserved]

(viii) Army interservice supply operations.

(ix) The Materiel, Construction, and Installations annexes, and the assigned logistic areas of programs/program elements of the DA Five-Year Force Structure and Financial Program, including corresponding logistic areas in mobilization program documents.

(x) Transportation and related transportation services required for the movement of personnel and freight/cargo for the Army and as assigned for the Navy, Air Force, and other governmental agencies, to include transportation engineering and DOD activities pertaining to Highways for National Defense; strategic mobility planning; plans, policies, and programs for land transportation, traffic management, movement control, operation of water terminals, rail, watercraft, and administrative use vehicle operations and utilization.

(xi) International coordination for the standardization of transportation policies and procedures.

(xii) Formulation, justification, and supervision of those portions of Army programs and budgets pertaining to the logistic area within the overall guidance and policy developed by the Director of Army Programs and the functional guidance and policy developed by the Comptroller of the Army.

(xiii) Data processing systems in support of all assigned functional areas of responsibility.

(2) On routine administrative and optional Military Assistance Program matters, except those of a financial management nature, the Deputy Chief of Staff for Logistics has direct access to the Assistant Secretary of Defense (International Security Affairs).

(3) He acts for the Chief of Staff as the Program Manager for the Army Cost Reduction Program.

(4) He exercises general staff supervision over—

(i) The Chief of Engineers.

(ii) The Chief of Support Services.

(5) He monitors the activities of the DOD agencies which provide logistic support of the Army.

(6) The responsibilities herein assigned do not extend to the civil functions of the Chief of Engineers and the Chief of Support Services.

(dd) *Comptroller of the Army.* (1) The Comptroller of the Army has General Staff responsibility for—

(i) Independent review and analysis of Army programs, and analysis of major Army commands.

(ii) Accounting, fiscal, audit, budgetary, progress and statistical reporting, reports control, cost analysis, and management analysis activities of the Army.

(iii) Legislative policies and programs pertaining to appropriation acts and liaison with appropriations committees of the Congress on matters affecting budgets, appropriations, and financial matters, including responding to appropriations committee investigations and inquiries directed toward such matters.

(iv) Management systems of the Army, which consist of review and analysis of existing, and development of new, Army-wide management systems not falling within the functional area of responsibility of any single staff agency; coordination and integration into the Army Management System of the Army Staff functional area management systems; provision of assistance to staff agencies in improving existing systems within their purview, and in development of new systems; study of systems problems crossing organizational or functional lines; and research and development of overall principles and concepts and guidance for development of management systems to assure an integrated management system for the Army.

(v) Data processing systems in support of all assigned functional areas of responsibility.

(vi) Overall management improvement and related policies and concepts, to include scope or coverage of improvement efforts and promotion of an improvement consciousness, environment, and capability for innovation throughout the Army.

(vii) Continuing and independent analysis of Army organization, functions, and procedures.

(2) He exercises general staff supervision over—

(i) The Chief of Finance.

(ii) The Chief, U.S. Army Audit Agency.

(3) The Comptroller of the Army is under the direction and supervision of, and is directly responsible to the Assistant Secretary of the Army (Financial Management), for financial management matters, by delegation of the Secretary of the Army, with concurrent responsibility to the Chief of Staff.

(4) Within his scope of responsibility, the Comptroller of the Army's relationship to the Chief of Staff and the Army Staff corresponds to that of a Deputy Chief of Staff.

(ee) *Chief of Research and Development.* The Chief of Research and Development, under the functional supervision of the Assistant Secretary of the Army (Research and Development), and responsible to the Chief of Staff, has Army General Staff responsibility for DA research and development activities.

(1) He has General Staff responsibility for—

(i) Planning, coordinating, and supervising all Army research, development, test, and evaluation including review and analysis, research and development objectives, policies, and funds essential to the discharge of this responsibility.

(ii) RDTE plans, projects, tasks, and priorities relating thereto.

(iii) Qualitative Materiel Requirements (QMR) and Small Development Requirements (SDR) for all Army materiel, and Military Characteristics (MC) for nuclear warheads.

(iv) Supervision of the American-British-Canadian Army Standardization Program (AR 1-70) and the U.S. Army-Canadian Development Sharing Program (AR 1-25), and for U.S. Army participation in research and development aspects of the ABC Air and Navy Standardization Programs, the Mutual Weapons Development Program, the NATO Multilateral Research, Development, and Production Program, the Defense Development Exchange Program, and all other international military research and development programs; and exchange of classified research and development information with foreign nations.

(v) Formulation, justification, and supervision of execution of those portions of Army programs and annual military budgets which pertain to RDTE, within the overall guidance and policies developed by the Director of Army Programs and the Comptroller of the Army.

(vi) Data processing systems in support of all assigned areas of responsibility.

(vii) DA Systems Staff Officer responsibility for NIKE X/NIKE ZEUS.

(2) He has responsibility for determining requirements, and the priorities therefor, for that intelligence needed to support research and development activities and for insuring that this intelligence is utilized in the research and development of weapons systems, materiel, and equipment for the U.S. Army.

(3) He is responsible for monitoring all activities of the Army and other Government agencies related to space, to include advising the Deputy Chief of

Staff for Military Operations in the development of policy, plans, objectives, and requirements related to space.

(4) Within his area of staff responsibility and within governing procurement policies and procedures of the DOD and DA, the Chief of Research and Development has the authority to procure supplies and services as necessary to effectuate the Army Research Program.

(5) Within his scope of responsibility, he has a relationship to the Chief of Staff and the Army Staff corresponding to that of a Deputy Chief of Staff.

(6) He directs the activities of the U.S. Army Research Office.

(ff) *Chief, Office of Reserve Components.* The Chief, Office of Reserve Components is directly responsible for Reserve affairs to the Chief of Staff (sec. 264(c), title 10, United States Code), and has Army General Staff responsibility for the development of the Reserve forces of the Army. He has the authority and the responsibility within the Army Staff for general staff supervision and coordination of the plans, policies, and programs of the Reserve components not on active duty and of the Reserve Officers' Training Corps.

(1) He has General Staff responsibility for—

(i) Development of plans and programs to produce the individuals and units of the Reserve components to fulfill requirements of mobilization plans and approved contingency actions.

(ii) Development and supervision of the Reserve Components Program and the Reserve Components Mobilization Program.

(iii) Plans, policies, and programs of the Reserve Officers' Training Corps.

(iv) Personnel and training policies, plans, and programs for individuals and units of the Reserve components not on active duty, in consonance with overall Army policy, and monitorship and position approval of that portion of the Mobilization Designation Program which pertains to general officers.

(v) Development of Reserve component needs for materiel and supplies, and development of policy pertaining to priorities, distribution and utilization of materiel and supplies within the Reserve components.

(vi) Policies, priorities, and planning pertaining to the requirements for and the construction and utilization of facilities for the Reserve components.

(vii) Operational readiness of the Reserve components.

(viii) Development of detailed plans and procedures for total or partial mobilization and demobilization of Reserve component units and individuals in conformity with Army mobilization plans or approved contingency actions to include selection of Reserve component units to be mobilized.

(2) He exercises general staff supervision of the Army Reserve component activities of the Chief, National Guard Bureau, and of the Chief, Army Reserve.

(3) Within his scope of responsibility, the Chief, Office of Reserve Components, has a relationship to the Chief of Staff

and the Army Staff corresponding to that of a Deputy Chief of Staff.

(4) The Reserve components of the Army are the Army National Guard of the United States and the U.S. Army Reserve (sec. 261, title 10, United States Code).

(5) The provisions outlined above do not affect the functions of the Chief, National Guard Bureau (sec. 264(c) and 3015, title 10, United States Code), who has the authority to advise the Chief of Staff directly on matters pertaining to the Army National Guard.

(gg) *Assistant Chief of Staff for Force Development.* The Assistant Chief of Staff for Force Development has Army General Staff responsibility for the development of Army forces.

(1) He has General Staff responsibility for—

(i) Preparation of Active Army force development plans and detailed Army force structures; supervision of implementation of force development plans within approved broad United States and Allied Army force requirements; and establishment of readiness capabilities for specific units in coordination with the Deputy Chief of Staff for Military Operations and other Army General Staff agencies.

(ii) Overall mobilization and demobilization planning; development of Reserve component force structures; and coordination of the development of the Reserve Component Troop Basis.

(iii) Establishing the allocation of military personnel spaces to major commands, agencies, and other specified segments of the Active Army.

(iv) Distribution of spaces (military and civilian) to program elements of the DA Five-Year Force Structure and Financial Program.

(v) Supervision of development of training concepts, policies and programs for individuals and units of the Army, and coordination of the use of training facilities, including air space.

(vi) Formulation, justification, and supervision of those portions of Operation and Maintenance, Army, programs and budgets for operating forces and training activities of the Army within overall program guidance and policy developed by the Director of Army Programs and the functional guidance and policy developed by the Comptroller of the Army.

(vii) Development of qualitative materiel development objectives, determination of total feasibility of proposed materiel developments, and the establishment of operational priorities and requirements for the procurement of materiel.

(viii) Determination of operational priorities for development and procurement of nuclear weapons and provision of assistance as appropriate to the Army Staff in the development of atomic aspects of Army plans.

(ix) Combat developments and related policy in conjunction with research and development functions assigned to the Chief of Research and Development.

(x) Tables of organization and equipment and tables of allowances; and de-

velopment of organizational and operational concepts, doctrine, and related matters, including troop tests.

(xi) Overall international military standardization programs within the DA.

(xii) Provision of all DOD language training.

(xiii) Overall coordination of the following activities:

(a) All Army CBR activities; and DOD responsibility for CBR functions when directed.

(b) All Army aviation activities and DA coordination of civil aviation affairs.

(c) All Army nuclear activities; and supervision of the Nuclear Weapon Systems Operational Surety Program, and of nuclear weapon systems safety within the policy, scope, and responsibilities of the Army Safety Program.

(d) Functions of the Army related to special use airspace.

(e) Strategic mobility exercises.

(xiv) Data processing systems in support of all assigned functional areas of responsibility.

(xv) DA Systems Staff Officer responsibilities for all items and systems not otherwise specifically assigned.

(2) Within his scope of responsibility, he has a relationship to the Chief of Staff and the Army Staff corresponding to that of a Deputy Chief of Staff.

(3) He exercises supervision and control of the following:

(i) The Superintendent, U.S. Military Academy.

(ii) The Commandant, U.S. Army War College.

(iii) The Commandant, U.S. Military Academy Preparatory School.

(hh) *Assistant Chief of Staff for Intelligence.* The Assistant Chief of Staff for Intelligence has Army General Staff responsibility for all matters pertaining to the intelligence and counterintelligence activities of the U.S. Army.

(1) He has General Staff responsibility for—

(i) Planning, coordinating, and fulfilling the Army intelligence and counterintelligence, requirements, and supervising Army intelligence and counterintelligence collection, production, and dissemination activities.

(ii) Army participation with National agencies in the planning, programing, and coordination of National internal security programs for the protection of the United States.

(iii) Communications intelligence, electronic intelligence, acoustic intelligence, communications security, and electronic security activities within the Army.

(iv) Measures for safeguarding defense information; Army-wide counterintelligence activities; and Army cryptologic functions.

(v) DA participation in the DOD industrial security program; HQDA security clearance program and civilian employee security program; investigative aspects of the military personnel security program; and censorship programs.

(vi) Intelligence doctrine and organizational and operational concepts; combat intelligence and meteorological activ-

ities; and strategic intelligence training and schooling activities.

(vii) Liaison with foreign military personnel in the United States; disclosure of defense information to foreign governments and international organizations; and visits by foreign nationals to Army installations and contractors.

(viii) Intelligence activities of Army Staff elements; technical intelligence activities and technical counterintelligence activities.

(ix) Programing and directing the Army Electronic Surveillance Countermeasures Program (Security).

(x) Program direction of the Army mapping and geodesy and military geographic intelligence programs, and coordination of these activities with Army components of unified and specified commands.

(xi) Program direction of the Army Foreign Intelligence Assistance, Foreign Area Specialist Training, and Latin American Exchange Programs and coordination of these activities with the unified and specified commands, and with DOD and National agencies.

(xii) Monitoring projects of intelligence interest in the research and development program.

(xiii) Program and budget functions relating to intelligence activities.

(xiv) Coordination of all Army surveillance and reconnaissance activities, to include providing the Army point of contact for such matters.

(xv) Data processing systems in support of all assigned functional areas of responsibility.

(2) He exercises supervision and control of the following:

(i) Specified elements of the U.S. Army Intelligence Reserve.

(ii) Specified field activities and U.S. Army field detachments.

(iii) The Intelligence Corps, U.S. Army.

(ii) *Special Staff.* (1) The Special Staff consists of the following, listed in the order of official anniversary dates:

(i) The offices of—

(a) The Adjutant General.

(b) Chief of Engineers.

(c) Chief of Finance.

(d) The Surgeon General.

(e) Chief of Chaplains.

(f) The Judge Advocate General.

(g) The Inspector General.

(h) Chief of Communications-Electronics.

(i) Chief, National Guard Bureau.

(j) Chief of Information.

(k) Chief of Military History.

(l) Chief, Army Reserve.

(m) The Provost Marshal General.

(n) Chief of Personnel Operations.

(ii) The Chief, U.S. Army Audit Agency.

(iii) The Office of the Chief of Support Services.

(2) The heads of Special Staff agencies provide advice and assistance to the Secretary of the Army, the Chief of Staff, other members of the Army Staff, and to all other elements of the DA on specialized matters specifically within their respective fields of responsibility. As staff officers of HQDA, they are re-

sponsible for the preparation of plans, estimates, and orders, review of technical doctrine, and the coordination of their technical, administrative, and operational plans and activities with other agencies of the Army Staff.

(3) The heads of certain Special Staff agencies exercise dual functions of staff and command. These two functions, although vested in a single individual, are separate and distinct in that each involves different responsibilities and duties; the exercise of one should not be confused with the exercise of the other.

(jj) *The Adjutant General.* The Adjutant General, under the general staff supervision of the Deputy Chief of Staff for Personnel, has Army Staff responsibility for the Army's administration and administrative services.

(1) He has staff responsibility for—

(i) Army personnel statistical and accounting system.

(ii) Army records management and office management programs.

(iii) Army publications system.

(iv) Operation of the Army-Air Force Postal Services Headquarters and the provision of Army-wide postal services.

(v) U.S. Army Special Services Program and special services activities.

(vi) Heraldic activities.

(vii) The Central United States Registry.

(viii) Army bands and the Army Element, School of Music.

(2) He develops, tests, and implements personnel and administrative data processing systems and procedures pertaining to adjutant general operations; and provides data services in support of personnel functional systems.

(3) He exercises administrative jurisdiction over nonunit Ready Reserve, Standby Reserve, and Retired Reserve personnel and provides for field-level administration in direct support of these individuals; and accomplishes the selection and ordering to active duty of individuals, except for selection of mobilization designees, in consonance with approved plans, policies, and programs pertaining to the Army Reserve. He is authorized to coordinate directly with the U.S. Continental Army Command in accomplishing these responsibilities.

(4) He provides maintenance and servicing of the personnel records for active duty and retired personnel and performs miscellaneous personnel administrative actions which are not directly related to the personnel management of these individuals.

(5) He provides guidance and policy direction to the Director, Armed Forces Courier Service (ARFCOS) in accomplishing the mission of the ARFCOS and operating the tri-Service ARFCOS headquarters. He operates the Army Courier Service in support of the ARFCOS mission.

(6) He commands personnel, organizations, and facilities, as assigned.

(kk) *Chief of Engineers.* (1) The Chief of Engineers, under the general staff supervision of the Deputy Chief of Staff for Logistics—

(i) Has Army Staff responsibility for—

(a) Providing general and specialized engineering services to include engineer military and strategic planning for the Army, and as assigned for the DOD and other governmental agencies.

(b) Monitoring all engineer matters and advising the Chief of Staff and the Secretary of the Army.

(c) Providing for the maintenance and repair of real property and operation of utilities plants and systems, and other repairs and utilities activities of Army installations as prescribed in AR 420-10.

(d) All Army family housing matters.

(ii) Plans, directs, and supervises engineering, construction, and real estate services for the Army and for the Air Force (including military engineering support), and other Government agencies as assigned.

(2) Under the direction and supervision of the Secretary of the Army, the Chief of Engineers has responsibility for—

(i) Construction, operation, and maintenance, and real estate necessary for the improvement of rivers, harbors, and waterways for navigation, flood control, and related purposes, including shore protection.

(ii) Administration of the laws for the protection and preservation of the navigable waters of the United States.

(iii) Provision of general and specialized construction and engineering services for the National Aeronautics and Space Administration, and for other governmental agencies as assigned.

(iv) Administration of the purchase and sale of utilities services as the DA Power Procurement Officer.

(3) Under the program direction of the Assistant Chief of Staff for Intelligence, the Chief of Engineers has responsibility for—

(i) Providing direct support to the Assistant Chief of Staff for Intelligence in the execution of functions pertaining to Army mapping and geodesy activities.

(ii) Providing technical supervision and coordination of worldwide Army mapping, geodesy, and military geographic intelligence activities.

(iii) Providing and directing assigned elements engaged in mapping, geodesy, military geographic intelligence, and related services, to include maintenance of the DOD master worldwide mapping and geodetic library and the DOD World Geodetic System.

(4) He commands personnel, organizations, and facilities, as assigned.

(ll) *Chief of Finance.* The Chief of Finance, under the general staff supervision of the Comptroller of the Army, has Army Staff responsibility for finance service.

(1) He has responsibility for providing such Armywide financial services as may be required.

(2) He commands personnel, organizations, and facilities, as assigned.

(mm) *The Surgeon General.* The Surgeon General, under the general staff supervision of the Deputy Chief of Staff for Personnel, has Army Staff responsibility for the management of health

services for the Army and, as directed, for other services, agencies, and organizations.

(1) He has staff responsibility for—
(i) Planning, directing, and supervising health services for the Army and, as directed, for other services, agencies, and organizations.

(ii) Establishing health standards applicable to personnel of the Army.

(iii) Program and budget functions relating to medical activities.

(iv) Technical review, evaluation, coordination, and direction of medical materiel programs.

(v) Technical review and evaluation of nonmedical materiel to determine possible existence of health hazards.

(2) He commands Army Medical Service personnel, organizations, and facilities, as assigned; and exercises technical staff supervision over all other medical facilities and units of the Army.

(3) He serves as chief of the Army Medical Service, and exercises career management authority over commissioned personnel of the Army Medical Service within policies established by the Deputy Chief of Staff for Personnel.

(4) He is responsible for medical professional training for the Army.

(5) He is responsible for medical research, development, and test and evaluation for the Army.

(6) On health and medical matters, including the utilization of Army Medical Service professional personnel, The Surgeon General has direct access to the Secretary of the Army and the Chief of Staff.

(nn) *Chief of Chaplains.* The Chief of Chaplains, under the general staff supervision of the Deputy Chief of Staff for Personnel, has Army Staff responsibility for religious, moral, and character guidance matters Army-wide.

(1) He has staff responsibility for—

(i) Spiritual and moral welfare of military and civilian personnel of the Army and their dependents; religious ministrations and religious education in the Army; pastoral care and counseling; character guidance instruction and orientation for military personnel; religious public information activities; and liaison with ecclesiastical agencies.

(ii) Establishment of denominational operational policies pertaining to Chaplain ministrations to military personnel.

(iii) Establishment of professional and educational qualifications for chaplains; determination of denominational quotas; procurement of qualified clergymen to serve as chaplains during peacetime and, as necessary, to meet mobilization requirements.

(iv) Determination of chapel construction requirements; design approval; and establishment of standards and requirements for, and distribution of, ecclesiastical supplies, and furniture and equipment for chapels and religious education facilities.

(2) He serves as chief of the Chaplains branch, and exercises career management authority over members of the Chaplains branch.

(3) He exercises operational control over personnel, organizations, and facilities, as assigned.

(oo) *The Judge Advocate General.* The Judge Advocate General is the statutory legal adviser of the Secretary of the Army and of all officers and agencies of the Army. He has staff responsibility for an Army-wide legal service, and makes recommendations concerning the establishment of, and exercises technical supervision over, all Army legal offices. He is responsible for the career management of the members of the Judge Advocate General's Corps. He is responsible for professional legal training for the Army. He administers the Army claims and legal assistance services, its system of military justice, is the custodian of general court-martial and real property records, and receives, revises, and records the proceedings of courts of inquiry and military commissions. He maintains liaison with the Department of Justice and other Federal and State agencies on matters connected with litigation and legal proceedings and exercises staff supervision over this activity within the Army. He commands field activities of his office and directs members of the Judge Advocate General's Corps in the performance of their duties.

(pp) *The Inspector General.* The Inspector General, as a confidential representative of the Secretary of the Army and the Chief of Staff, inquires into and reports upon matters affecting the performance of mission and the state of discipline, efficiency, and economy of the DA, and performs such additional duties as may be prescribed by the Secretary of the Army or the Chief of Staff, or as required by law.

(qq) *Chief of Communications-Electronics.* The Chief of Communications-Electronics, under the general staff supervision of the Deputy Chief of Staff for Military Operations, has Army Staff responsibility for assigned communications-electronics matters.

(1) He has staff responsibility for—

(i) Radio frequency spectrum and call sign management and utilization, and the Army electromagnetic compatibility program.

(ii) Army representation on the U.S. Military Communications-Electronics Board and, as designated, other joint, combined, national and international boards, committees and groups which consider communication-electronics matters with Army implications and interest.

(iii) Joint actions pertaining to communications-electronics.

(iv) Preparation or review of the communications-electronics annexes of Army and joint plans.

(v) Program and budget functions relating to communications-electronics, except those specifically assigned to other Army Staff agencies.

(2) He provides a focal point for staff advice and coordination for communications, including communications security pertaining thereto.

(3) He advises the Army Staff on the technical communications-electronics aspects of—

(i) Missile systems.

(ii) Audio-visual systems.

(iii) Aviation electronics.

(iv) Electronic warfare.

(v) Fire coordination.

(vi) Combat surveillance and target acquisition.

(vii) Meteorology.

(viii) ADPS.

(ix) Special warfare.

(4) Within his scope of responsibility, he exercises staff supervision of the U.S. Army Strategic Communications Command.

(rr) *Chief, National Guard Bureau.* The National Guard Bureau is a joint bureau of the Department of the Army and the Department of the Air Force headed by a chief who is the adviser to the Army Chief of Staff and the Air Force Chief of Staff on National Guard matters. The National Guard Bureau is the channel of communication between the departments concerned and the several States, Puerto Rico, and the District of Columbia on matters pertaining to the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States (sec. 3015, title 10, United States Code).

(1) AR 130-5/AFR 45-2 prescribes the organization and functions of the National Guard Bureau.

(2) The Chief, National Guard Bureau is directly responsible to the Army Chief of Staff for all matters pertaining to the development and maintenance of the Army National Guard and the Army National Guard of the United States. Operating within established departmental policies, he—

(i) Participates with other Army Staff agencies in the formulation and development of DA policies affecting the Army National Guard and the Army National Guard of the United States.

(ii) Advises all other elements of the Army Staff on Army National Guard matters.

(iii) Has staff responsibility for the Army National Guard segment of the Reserve Components Control Program in coordination with the Chief, Office of Reserve Components.

(ss) *Chief of Information.* The Chief of Information has Army Staff responsibility for all matters pertaining to public and command information and for DA information plans and programs in support of Army basic plans and programs. He is directly responsible to the Chief of Staff. He commands personnel, organizations, and facilities, as assigned.

(tt) *Chief of Military History.* The Chief of Military History, under the general staff supervision of the Deputy Chief of Staff for Military Operations, advises the Chief of Staff on historical matters; formulates and executes the Army Historical Program; coordinates and supervises all Army historical matters, including historical properties; prepares and publishes histories required by the Army; provides historical background and precedent for the development of military plans, policies, doctrine and techniques; and provides historical material and assistance to, and maintains liaison with, public and private agencies and in-

dividuals to stimulate interest and study in the field of military history.

(uu) *Chief, Army Reserve.* The Chief, Army Reserve, under the general staff supervision of the Chief, Office of Reserve Components, has Army Staff responsibility for all matters pertaining to the development and maintenance of the Army Reserve.

(1) He has staff responsibility for—

(i) Implementation and execution of approved plans, policies, and programs pertaining to the Army Reserve.

(ii) The Army Reserve segments of the Reserve Components Program and the Reserve Components Mobilization Program.

(2) He participates with other Army Staff agencies in the formulation and development of the DA policies affecting the Army Reserve.

(vv) *The Provost Marshal General.* The Provost Marshal General, under the general staff supervision of the Deputy Chief of Staff for Personnel, has Army Staff responsibility for the broad functions of protective services, preserving law and order, and of crime prevention applicable Army-wide.

(1) He has staff responsibility for—

(i) Provost marshal and military police activities.

(ii) Criminal investigations and crime prevention, to include accreditation of criminal investigators.

(iii) Preservation of order and law enforcement.

(iv) Motor vehicle accident investigation, traffic control, and traffic law enforcement.

(v) Apprehension of absentees.

(vi) Physical security.

(vii) Implementation of industrial defense activities.

(viii) The Army Correction Program, to include restoration, clemency, and parole for military prisoners.

(ix) Prisoners of war and civilian internees.

(2) He maintains liaison with Federal and State agencies in law enforcement and criminal matters affecting the DA.

(3) He commands personnel, organizations, and facilities, as assigned.

(ww) *Chief of Personnel Operations.* The Chief of Personnel Operations, under the general staff supervision of the Deputy Chief of Staff for Personnel, implements policies, executes programs, and supervises procedures applicable to the worldwide personnel management of Army military personnel.

(1) He has responsibility for—

(i) Assignment control and career management of all officers and warrant officers (except general officers, Chaplains, Army Medical Service, and Judge Advocate General Corps officers) with special emphasis on their effective Army-wide utilization.

(ii) Creating and maintaining a nucleus of highly qualified noncommissioned officers and enlisted specialists by personalized control of senior enlisted personnel and by personnel techniques such as assignment control and rotation.

(iii) Supervision of the administration of personnel management activities throughout the Army Reserve com-

ponents and implementation of departmental policies applicable to administration of personnel matters within the Reserve components, except general officers.

(iv) Administering the Army-wide reenlistment program, taking final action on requests for waiver of disqualifications for induction and for reenlistment, both in service and out of service.

(v) Developing and recommending personnel standards, MOS, and systems and procedures for procurement, selection, classification, assignment, utilization and retention of military personnel and design and field testing of systems and procedures in support of the operation of the Military Personnel System.

(vi) Development of statistical summaries, trends, and factors for use throughout the U.S. Army Personnel System, in coordination with U.S. Army Data Support Command, TAGO.

(vii) Development of specific plans and programs for personnel management of the Army's military personnel as may be dictated by operational experience.

(2) He commands personnel, organizations, and facilities, as assigned.

(xx) *Chief of Support Services.* (1) The Chief of Support Services, under the general staff supervision of the Deputy Chief of Staff for Logistics, has Army Staff responsibility for the provision of certain support services for the Army.

(i) He has staff responsibility for—

(a) Army-wide logistic support services comprising commissary operations, food service, clothing sales stores and clothing issue points, laundry and dry-cleaning, fumigation and bath, self-service supply centers, and Army disposal of surplus and foreign excess personal property.

(b) Development, review, and coordination of quartermaster logistic services aspects in war, mobilization, and contingency plans.

(c) Care and disposition of remains and personal effects of deceased personnel of the Army, and as directed for the Navy and Air Force.

(ii) He commands personnel, organizations, and facilities, as assigned.

(2) Under the direction and supervision of the Secretary of the Army, the Chief of Support Services is responsible for the operation of the National Cemetery System and the procurement of Government headstones and markers.

(yy) *Chief, U.S. Army Audit Agency.* The Chief, U.S. Army Audit Agency, under the general staff supervision of the Comptroller of the Army, is responsible for providing advice and assistance to the Secretary of the Army, the Chief of Staff, other members of the Army Staff, and to all other elements of the DA with respect to Army-wide audit service.

SEC. 3. *Major Army Field Commands.*

(a) U.S. Continental Army Command.

(b) U.S. Army Materiel Command.

(c) U.S. Army Combat Developments Command.

(d) U.S. Army Strategic Communications Command.

(e) U.S. Army Security Agency.

(f) U.S. Army Intelligence Command.

(g) Military Traffic Management and Terminal Service.

(h) Army components of unified commands: The Army components of unified commands are major field commands of the DA, and consist of such subordinate commands, units, installation, and activities as may be assigned to them by HQDA. The establishment and mission of Army component commands are contained in directives of unified commanders and of HQDA. The establishment, mission, and organization of unified commands are set forth in directives of the DOD. The following Army field commands are Army components of the unified commands indicated:

Army component	Unified Command
U.S. Army Air Defense Command.	Continental Air Defense Command.
U.S. Army Forces, Strike Command.	U.S. Strike Command.
U.S. Army, Alaska.....	U.S. Alaskan Command.
U.S. Army Forces, Southern Command.	U.S. Southern Command.
U.S. Army, Europe.....	U.S. European Command.
U.S. Army, Pacific.....	U.S. Pacific Command.

SEC. 4. *Branches of the Army.* (a) *Branches.* The branches of the Army are classified as the basic branches and the special branches. The branches are set forth below, listed in the order of official anniversary dates.

(1) The basic branches are Infantry, Adjutant General's Corps, Corps of Engineers, Finance Corps, Quartermaster Corps, Artillery, Armor, Ordnance Corps, Signal Corps, Chemical Corps, Military Police Corps, Transportation Corps, and Army Intelligence and Security Branch.

(2) The special branches are each corps of the Army Medical Service, specifically, Medical Corps, Army Nurse Corps, Dental Corps, Veterinary Corps, Medical Service Corps, and Army Medical Specialists Corps, the Chaplains, and the Judge Advocate General's Corps.

(3) There is a Women's Army Corps whose members may be detailed to certain basic and special branches.

(b) *Arms and services.* The branches of the Army are grouped into arms and services. The arms are those branches whose primary mission is combat and combat support. The services are those branches whose primary mission is combat service support and/or administration to the Army as a whole. Certain branches have primary missions in both fields.

(1) The arms are Infantry, Corps of Engineers, Artillery, Armor, and Signal Corps.

(2) The services are Adjutant General's Corps, Corps of Engineers, Finance Corps, Quartermaster Corps, Army Medical Service, Chaplains, Judge Advocate General's Corps, Ordnance Corps, Signal Corps, Chemical Corps, Military Police Corps, Women's Army Corps, Transportation Corps, and Army Intelligence and Security Branch.

J. C. LAMBERT,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 66-5151; Filed, May 11, 1966;
8:45 a.m.]

DEPARTMENT OF JUSTICE

[Order No. 363-66]

MARY O. EASTWOOD

Designation as Representative From Department of Justice on Administrative Committee of Federal Register

By virtue of the authority vested in me by section 6 of the Federal Register Act, as amended (44 U.S.C. 306), I hereby designate Mary O. Eastwood, Office of Legal Counsel, as the representative from the Department of Justice on the Administrative Committee of the Federal Register in place of Charles F. Simms.

Order No. 257-62 of January 9, 1962, is hereby superseded.

Dated: May 9, 1966.

NICHOLAS DEB. KATZENBACH,
Attorney General.

[F.R. Doc. 66-5264; Filed, May 11, 1966; 9:54 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Fairbanks 035223]

ALASKA

Notice of Proposed Withdrawal and Reservation of Lands

MAY 3, 1966.

The Bureau of Indian Affairs has filed an application, Fairbanks 035223 for the withdrawal of the lands described below, from all forms of appropriation under the public land laws. The applicant desires the land for an addition to an existing school facility.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with this proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 555 Cordova Street, Anchorage, Alaska, 99501.

The authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demands for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their resources.

He will also prepare a report for consideration of the Secretary of the Interior who will determine whether the

lands will be withdrawn as requested by the applicant. The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in the application are:

KASIGLUK, ALASKA

Beginning at meander corner No. 4, U.S. Survey 4048; thence

S. 50°12'30" E., 1.63 chains to corner No. 3, U.S. Survey 4048;

S. 39°47'30" W., 0.93 chains to corner No. 2, U.S. Survey 4048;

N. 50°12'30" W., 1.63 chains to a point;

N. 39°47'30" E., 0.93 chains to the point of beginning.

The area described aggregates approximately 0.15 acres.

LYLE F. JONES,
Acting State Director.

[F.R. Doc. 66-5177; Filed, May 11, 1966; 8:47 a.m.]

[Arizona 035844]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Lands

The Corps of Engineers, Department of the Army, has filed an application, Serial Number Arizona 035844, under the Act of December 22, 1942 (58 Stat. 887), for the withdrawal and reservation of the lands described below, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, subject to valid existing claims.

The Department of the Army desires these lands for the construction and operation of the Alamo Dam and Reservoir on the Bill Williams River. These lands are needed on a permanent basis for the multipurpose project for flood control, conservation, and recreation. The project has been officially designated as the Alamo Reservoir-Bill Williams River, Ariz., Colorado River Basin.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal, may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 3022 Federal Building, Phoenix, Ariz., 85025.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 10 N., R. 12 W.,
Sec. 6, lots 4, 5, 12, 13, and 14.

T. 10 N., R. 13 W.,
Sec. 1, lots 1, 2, and 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 10, NE $\frac{1}{4}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ N $\frac{1}{2}$;
Sec. 11, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, and NW $\frac{1}{4}$;
Sec. 12, NW $\frac{1}{4}$.
T. 11 N., R. 12 W.,
Sec. 13, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 14, N $\frac{1}{2}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 15, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 20, S $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 21, W $\frac{1}{2}$ NE $\frac{1}{4}$;
Sec. 23, E $\frac{1}{2}$ NE $\frac{1}{4}$;
Sec. 29, NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 31, lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 32, W $\frac{1}{2}$ E $\frac{1}{2}$ and S $\frac{1}{2}$ SW $\frac{1}{4}$.

The areas described above aggregate approximately 2,374.76 acres in Yuma County.

T. 11 N., R. 13 W.,
Sec. 22, N $\frac{1}{2}$ SW $\frac{1}{4}$.
T. 12 N., R. 12 W.,
Sec. 17, W $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 18, lots 2, 3, and 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 19, lot 1 and NE $\frac{1}{4}$ NW $\frac{1}{4}$.
T. 12 N., R. 13 W.,
Sec. 12, S $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 13, NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$.

The areas described above aggregate approximately 1,113.86 acres in Mohave County. There is an aggregate total of approximately 3,488.62 acres.

Dated: May 5, 1966.

FRED J. WEILER,
State Director.

[F.R. Doc. 66-5162; Filed, May 11, 1966; 8:46 a.m.]

[New Mexico 0550337]

NEW MEXICO

Notice of Proposed Classification

MAY 4, 1966.

Pursuant to section 2 of the Act of September 19, 1964 (43 U.S.C. 1412), notice is hereby given of a proposal to classify the lands described below for disposal through private exchange under section 8 of the Taylor Grazing Act of June 28, 1934 (48 Stat. 1272) as amended by the Act of June 26, 1936 (49 Stat. 1976; 43 U.S.C. 315g).

These lands are parcels of scattered public domain within four separate ranch units. They are used for grazing and this is their highest and best use. The elimination of these scattered parcels of land will facilitate the land adjustment program of the Bureau of Land Management. The lands being offered in this exchange are located within the Sacramento Division of the Lincoln National Forest where their development for public year-round recreational use is in high demand. The proposed classification of these lands for private exchange will not preclude the issuance of rights-of-way pursuant to 43 CFR Subpart 2234 or from leasing under the mineral leasing laws. Information concerning the lands, including the record of public discussions, is available for inspection and study at Roswell, N. Mex. For a period of 60 days from the date of this publication, inter-

ested parties may submit comments to the district manager of the Roswell District Office, Bureau of Land Management, Post Office Box 1397, Roswell, N. Mex. 88201.

The lands affected by this proposal are located in Lea and Chavez Counties, N. Mex., and are described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, N. MEX.

- T. 10 S., R. 21 E.,
Sec. 23, N $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 9 S., R. 22 E.,
Sec. 19, lots 1, 2, 3, and 4;
Sec. 29, N $\frac{1}{2}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 30, NE $\frac{1}{4}$ NE $\frac{1}{4}$.
T. 10 S., R. 22 E.,
Sec. 10, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 11, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 14, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$;
Sec. 15, SW $\frac{1}{4}$;
Sec. 17, SW $\frac{1}{4}$ NE $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 20, W $\frac{1}{2}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 21, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 22, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 26, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 27, N $\frac{1}{2}$ and S $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 28, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$;
Sec. 29, NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$.
T. 11 S., R. 22 E.,
Sec. 4, lots 2, 3, and 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 5, lots 1, 2, and 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 6, lots 4, 5, and 6, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 25 S., R. 36 E.,
Sec. 26, W $\frac{1}{2}$ SE $\frac{1}{2}$ and W $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 27;
Sec. 28, SE $\frac{1}{4}$;
Sec. 33, E $\frac{1}{2}$;
Secs. 34 and 35.
T. 26 S., R. 36 E.,
Sec. 1, N $\frac{1}{2}$, SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Secs. 3, 4, and 5;
Sec. 8, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 9, N $\frac{1}{2}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 10, N $\frac{1}{2}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Secs. 13, 24, and 25;
Sec. 36, lots 1, 2, 3, 4, and N $\frac{1}{2}$ N $\frac{1}{2}$.
T. 23 S., R. 37 E.,
Sec. 10, W $\frac{1}{2}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$.
T. 24 S., R. 37 E.,
Sec. 21, W $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 26, SW $\frac{1}{4}$ SW $\frac{1}{4}$.
T. 26 S., R. 37 E.,
Sec. 6, lots 2 and 3.

The areas described aggregate 13,444.52 acres.

MORRIS A. TRAGSTAD,
Acting State Director.

[F.R. Doc. 66-5164; Filed, May 11, 1966;
8:46 a.m.]

[Oregon 015062]

OREGON

Notice of Proposed Classification of Public Lands

1. Pursuant to the provisions of the act of September 19, 1964 (43 U.S.C. 1412), notice is hereby given of a proposal to classify the following described public lands in Malheur County, Oreg., for disposal through exchange under section 8 of the act of June 28, 1934 (48 Stat. 1272), as amended (43 U.S.C. 315g):

WILLAMETTE MERIDIAN, OREG.

- T. 15 S., R. 44 E.,
Sec. 32, W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 16 S., R. 43 E.,
Sec. 2, lots 1, 3, and 4, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 24, NE $\frac{1}{4}$ NE $\frac{1}{4}$.
T. 16 S., R. 44 E.,
Sec. 1, lots 3 and 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$;
Sec. 2;
Sec. 3, lots 1, 2, 3, and 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 4, lot 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 6;
Sec. 10, E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, and NE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 11;
Sec. 12, W $\frac{1}{2}$;
Sec. 13, W $\frac{1}{2}$;
Sec. 14;
Sec. 15, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 22, W $\frac{1}{2}$ NW $\frac{1}{4}$;
Sec. 23, E $\frac{1}{2}$ NE $\frac{1}{4}$;
Sec. 24;
Sec. 25, N $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 26, S $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 17 S., R. 44 E.,
Sec. 2, lots 3 and 4, S $\frac{1}{2}$ NW $\frac{1}{4}$;
Sec. 12, N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$.
T. 17 S., R. 45 E.,
Sec. 6, lots 3, 4, 5, 6, and 7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$.

The areas described aggregate 7,286.87 acres.

2. Classification of the above-described lands by a classification order will segregate the lands from all forms of disposal under the public land laws, including the mining laws, except as to application under section 8 of the Taylor Grazing Act (38 Stat. 1272), as amended.

3. Publication of this proposed classification order will not alter the applicability of the public land laws governing the use of the lands under lease, license, or permit, or governing disposal of their mineral and vegetative resources, other than under the mining laws.

4. For a period of 60 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed classification may present their views in writing to the District Manager, Bureau of Land Management, Department of the Interior, 365 A Street West, Post Office Box 220, Vale, Oreg., 97918.

If circumstances warrant it, a public hearing will be held at a convenient time and place which will be announced.

After having considered comments received as a result of this publication and hearing if such is deemed necessary to be held, the undersigned officer will classify the above-described lands, which classification shall be published in the FEDERAL REGISTER.

MAXWELL T. LIEURANCE,
Acting State Director.

[F.R. Doc. 66-5165; Filed, May 11, 1966;
8:46 a.m.]

UTAH

Notice of Classification

MAY 5, 1966.

Pursuant to section 2 of the Act of September 19, 1964 (43 U.S.C. 1412), the

lands described below are hereby classified under section 7 of the Act of June 28, 1934 (48 Stat. 1272; 43 U.S.C. 315f), as amended, as proper for selection by and transfer to the State of Utah under provisions of sections 2275 and 2276 of the Revised Statutes (43 U.S.C. 851, 852), as amended. The selection is indemnity for an equal acreage of mineral land lost to the State by reservation or appropriation of what would have been school sections in place when surveyed. Title will pass subject to all valid existing rights.

The lands affected by this classification are the same as described in the notice of proposed classification published in the FEDERAL REGISTER, February 18, 1966. The lands are located on and near Asphalt Ridge, a few miles south and west of Vernal, Utah, in Uintah County and are described as follows:

SALT LAKE MERIDIAN, UTAH

- T. 4 S., R. 20 E.,
Sec. 13, lots 3, 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;
Secs. 14, 15, 22, all;
Sec. 23, W $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 24, N $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$, lots 2, 3, 4;
Sec. 25, W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, lots 3, 4;
Secs. 26, 27, 34, 35, all.
T. 4 S., R. 21 E.,
Sec. 7, lots 1, 3, 4, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 19, lots 1, 2, 3, 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 30, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 31, lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$.
T. 4 S., R. 22 E.,
Sec. 28, SW $\frac{1}{4}$ SW $\frac{1}{4}$.
T. 5 S., R. 20 E.,
Sec. 1, all;
Sec. 3, lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$;
Secs. 11, 12, all.
T. 5 S., R. 21 E.,
Sec. 4, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 5, lots 8, 9, 10, 11;
Secs. 6, 7, 8, all;
Sec. 10, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 13, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 14, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$, lots 1, 2, 3, 4;
Sec. 15, E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 17, lots 1, 2, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$;
Sec. 18, NE $\frac{1}{4}$;
Sec. 21, NE $\frac{1}{4}$;
Sec. 22, S $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, lots 3, 4;
Sec. 23, lots 1, 2, 3, 6, 7, 8, 9, 10, 11, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 24, W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Secs. 25, lots 1, 7, 8, 11;
Sec. 26, E $\frac{1}{2}$, SW $\frac{1}{4}$;
Sec. 27, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 35, all.
T. 5 S., R. 22 E.,
Sec. 3, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 20, NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 21, E $\frac{1}{2}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 22, W $\frac{1}{2}$;
Sec. 25, E $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 26, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 27, N $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$;
Sec. 28, SE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$;
Sec. 30, lots 2, 3, 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 31, lots 1, 2, 4, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$;
Sec. 33, E $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$;
Sec. 34, all;
Sec. 35, W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 6 S., R. 22 E.,
Sec. 3, lots 1, 2, 3, 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 4, lots 1, 2, 3, 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;
Secs. 5, 6, all;

Sec. 7, NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, lot 3;
 Sec. 9, N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, lots 1, 2, 5;
 Sec. 10, all;
 Sec. 11, W $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 15, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$.

Containing 23,451.84 acres.

For a period of 30 days, interested parties may submit comments to the Secretary of the Interior, LLM, 721, Washington, D.C., 20240.

R. D. NIELSON,
State Director.

[F.R. Doc. 66-5167; Filed, May 11, 1966;
 8:46 a.m.]

[Wyoming 032479]

WYOMING

Notice of Proposed Withdrawal and Reservation of Lands

May 5, 1966.

The Bureau of Mines, U.S. Department of the Interior, has filed an application, Serial No. Wyoming 0320479, for the withdrawal of lands described below, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, subject to valid existing rights.

The applicant desires the lands for the protection of an area to be devoted to oil shale retorting experiments over a period of several years.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 2120 Capitol Avenue, Cheyenne, Wyo., 82001.

The Department's regulations 43 CFR 2311.1-3(c) provide that the authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicants, to eliminate lands needed for purposes more essential than the applicants, and to reach agreement on the concurrent management of the lands and their resources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the applicant agency.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in the application are:

SIXTH PRINCIPAL MERIDIAN, WYOMING

T. 23 N., R. 107 W.,
 Sec. 30.

The area described aggregates 640 acres, more or less.

AUBREY F. SMITH,
Acting State Director.

[F.R. Doc. 66-5168; Filed, May 11, 1966;
 8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 13890, etc.; Order E-23651]

STANDARD AIRWAYS, INC.

Supplemental Air Service Proceeding; Order To Show Cause

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 6th day of May 1966.

Standard Airways, Inc., Docket 13890; supplemental air service proceeding, Docket 13795, et al.

1. In October 1962, Standard Airways, Inc. (Standard) was awarded an interim certificate to engage in supplemental air transportation pursuant to Public Law 87-528, pending disposition of its applications for certificates of public convenience and necessity under section 401(d) (3) of the Federal Aviation Act of 1958. On February 12, 1964, the Board, pursuant to section 401(n) of the Act, suspended Standard's interim certificate principally because the carrier was bankrupt. Order E-20468. The suspension proceeding was held in abeyance at Standard's request.

2. In July of 1965, however, Southern Pipelines, Inc. (Pipeliners) which, among other things, owns and leases DC-7 aircraft and controlled Argonaut Airways, Inc., applied to acquire a controlling stock interest in Standard. A public hearing was held and the Board subsequently approved the above control relationship and found that Standard would be fit to continue operations "upon consummation of the acquisition" of control. This decision was predicated on the financial and other assistance to be supplied to Standard by Pipeliners and its president and controlling stockholder, Benjamin F. Preston, since, as shown in the record in that proceeding and in the Supplemental Air Service Proceeding, Docket 13795 et al., Standard, without Pipeliners, was nothing more than a recently discharged bankrupt with no finances or assets other than a few thousand dollars worth of office furniture. The Board noted that the suspension would be lifted upon an appropriate showing by the carrier that "all necessary steps have been completed for the consummation of the acquisition agreement." Order E-23129, January 18, 1966. Thereafter, Standard filed a verified statement with the Board indicating such steps had in fact been taken and the Board accordingly lifted the suspension. Order E-23222, February 11, 1966.

3. In its original decision in the Supplemental Air Service Proceeding, Order E-23350, March 11, 1966, the Board found that the record before the examiner afforded no basis for finding Standard fit.¹ The Board, however, ordered the record reopened for further hearing on Standard's qualifications. That action was predicated upon the apparent change in Standard's financial status which the applicant alleged had taken place as a result of the acquisition of Standard by Pipeliners.

4. Contrary to the carrier's representations to the Board that all steps looking toward the consummation of the acquisition agreement had been achieved, we are now informed by the principals involved, Messrs. Craft² and Preston, that no such acquisition has taken place. This leaves Standard without (1) the \$100,000 working capital which was to be given to Standard by Pipeliners under the terms of the acquisition agreement, (2) the financial assistance of Pipeliners and Mr. Preston, or (3) any flight equipment.³ Moreover, Standard's insurance certificate is limited by its terms to the specific aircraft which it operated under lease and which have now been repossessed by Pipeliners. The carrier is, therefore, apparently without aircraft and insurance as well. The Act specifically directs the Board to render ineffective the interim certificate of any carrier that fails to maintain a continuing requirement of fitness, willingness, and ability.

5. Since, according to the information reported to the Board, the Pipeliners financing agreement was not completed, the facts which were the predicate for reopening the record in Docket 13795 et al., no longer exist, and there does not appear to be any justification for further delaying decision on Standard's applications in that proceeding.

The Board, acting pursuant to the legal authority and jurisdiction vested in it by the Federal Aviation Act of 1958, and finding that its action is in the public interest and necessary in order to carry out the provisions of the Act and to perform its powers and duties thereunder:

It is ordered:

1. That Standard Airways, Inc., be and is hereby directed to show cause, within 5 days after service of this order, (1) why the Board, without further proceedings, should not issue an order either vacating Order E-23222, February 11, 1966, or immediately suspending the interim certificate issued to it pursuant to section 7 of Public Law 87-528 for failure to comply with section 401(n) of the Act and the terms, conditions, and limitations of its interim certificate, or (2) why such

¹ The hearings in the Supplemental case were held in November and December 1964. At that time Standard had only recently been discharged from bankruptcy, it had no financial resources or equipment, and its interim certificate was suspended.

² Shields Craft is the president and majority stockholder of Standard.

³ We have been informed that Pipeliners has repossessed the two DC-7B aircraft which Pipeliners had been leasing to Standard.

interim certificate should not be modified or revoked.

2. That Standard Airways, Inc., be and is hereby directed to show cause, within 15 days after the date of service of this order, why the Board, without further proceedings, should not issue an order (1) vacating Order E-23350, March 11, 1966, insofar as it ordered reopening of Docket 13795 et al., for further hearing on the qualifications for supplemental air transportation of Standard Airways, and (2) denying Standard's applications in Dockets 13816 and 13817 for supplemental certificates to engage in interstate, overseas, and foreign supplemental air transportation.

(3) That in the event Standard fails to file objections to this order, the Board will take such further action with respect to the matters raised by this order as it deems appropriate.

4. That a copy of this order shall be served upon Standard Airways, Inc., by certified mail at its last known address, and shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 66-5193; Filed, May 11, 1966;
8:49 a.m.]

FEDERAL MARITIME COMMISSION

[Docket No. 66-22; 1st Supp. Order]

ALASKA STEAMSHIP CO.

Notice of Investigation and Suspension Regarding General Increase in Rates in Peninsula and Bering Sea Areas of Alaska, 1966; Correction

The original order in this proceeding served April 11, 1966, incorrectly stated that "2d Revised Page No. 53; Item 640 (Salt, Common)", Tariff FMC-F No. 127, was placed under investigation in this proceeding; whereas Item 640 in Tariff FMC-F No. 127 actually appears on 2d Revised Page No. 53-A.

Therefore, it is ordered, That paragraph No. 5, "FMC-F No. 127 (Southwest and Southcentral)" on the last page of the Appendix to the subject order be, and it is hereby changed in part to read: "2d Revised Page No. 53-A; Item 640 (Salt, Common)."

[SEAL] THOMAS LISI,
Secretary.

[F.R. Doc. 66-5196; Filed, May 11, 1966;
8:49 a.m.]

FEDERAL POWER COMMISSION

[Docket No. CP66-342]

CITIES OF ALTENBURG AND FROHNA, MO., AND NATURAL GAS PIPELINE CO. OF AMERICA

Notice of Application

MAY 5, 1966.

Take notice that on April 28, 1966, the Cities of Altenburg and Frohna, Mo.

(Applicants), filed in Docket No. CP66-342 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Natural Gas Pipeline Co. of America (Respondent) to establish physical connection of its transmission facilities with the facilities to be constructed by Applicants and to sell and deliver to Applicants up to 172 Mcf and 183 Mcf of natural gas per day, respectively, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Altenburg proposes to construct, own and operate a municipal natural gas distribution system within its own borders, and Frohna will construct, own and operate a municipal distribution system and approximately 2 miles of 2-inch O.D. transmission pipeline extending north from Respondent's pipeline to Applicants, all in Perry County, Mo.

Applicants propose that Frohna will take delivery of the natural gas from Respondent at the delivery point on Respondent's system where it will be metered. The gas will be transported to Altenburg and then to Frohna. Altenburg will be charged for its gas at the cost to Frohna plus a transportation charge to be determined on the basis of an annual carrying charge in proportion to volumes of gas delivered to and used by each community.

The estimated natural gas requirements of Applicants to be delivered pursuant to Respondent's General Service Rate Schedule (G-1) are as follows:

	Mcf		
	First year	Second year	Third year
Altenburg:			
Peak day.....	115	138	172
Annual.....	10,200	12,100	15,200
Frohna:			
Peak day.....	149	162	183
Annual.....	22,230	23,160	29,650

The estimated costs of construction of the facilities to be constructed by Altenburg and Frohna are \$58,000 and \$84,000, respectively. Financing will be by means of Gas Revenue Bonds to be issued separately by Applicants.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 3, 1966.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-5153; Filed, May 11, 1966;
8:45 a.m.]

[Docket No. CP66-343]

CONSOLIDATED GAS SUPPLY CORP.

Notice of Application

MAY 5, 1966.

Take notice that on April 28, 1966, Consolidated Gas Supply Corp. (Applicant), 445 West Main Street, Clarksburg, W. Va., 26301, filed in Docket No. CP66-

343 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the replacement, construction, and operation of certain natural gas transmission facilities, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, the pipelines Applicant proposes to replace consist of its Line No. 2 (26.8 miles of 10-inch pipeline) extending between the Sabinsville Compressor Station, Tioga County, Pa., and its junction with Line No. 10 in Potter County, Pa., and 9.3 miles of the easternmost portion of 12-inch Line No. 10, extending between the western terminus of Line No. 2 and Roulette Gate, Potter County, Pa.

The replacement pipeline proposed to be constructed and operated, looping Applicant's Line No. 280, will consist of (1) 26.2 miles of 26-inch pipeline extending between the Elk Run Gate, Tioga County, Pa., the present southern terminus of Line No. 50, and Finnefrock Compressor Station, Clinton County, Pa., and (2) 21.6 miles of 24-inch pipeline extending between Finnefrock Compressor Station and Driftwood Gate, Cameron County, Pa.

Applicant states that the above proposed replacement will increase the capacity of its transmission system upstream of its northern storage pool area and that the proposed facilities, to be constructed in 1966, are needed to meet the injection requirements of its northern storage pools beginning with the 1967 injection season. Applicant further states that the age, size, capacity, and condition of the pipelines to be replaced preclude their continued safe and useful operation.

The total estimated cost of Applicant's proposed facilities is \$5,207,850, which cost will be financed by funds on hand and funds to be obtained from Applicant's parent corporation, Consolidated Natural Gas Co.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before June 3, 1966.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be

unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-5154; Filed, May 11, 1966;
8:45 a.m.]

[Docket No. CP66-344]

MANUFACTURERS LIGHT AND HEAT CO.

Notice of Application

MAY 5, 1966.

Take notice that on April 29, 1966, The Manufacturers Light and Heat Co. (Applicant), 800 Union Trust Building, Pittsburgh, Pa., 15219, filed in Docket No. CP66-344 an application pursuant to section 7(b) of the Natural Gas Act for permission and approval to abandon by sale to Blacksville Oil & Gas Co. (Blacksville), natural gas facilities consisting of approximately 2.8 miles of 4-inch transmission pipeline, situated in Wayne Township, Greene County, Pa., and in Clay District, Monongalia County, W. Va., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant proposes to abandon the following natural gas transmission facility: Approximately 2.8 miles of transmission pipeline No. 773, commencing at a point in Wayne Township, Greene County, Pa., and continuing in a southwesterly direction to the terminus of said line in Clay District, Monongalia County, W. Va.

Applicant states that the subject pipeline was originally constructed for the purpose of transporting natural gas produced in Clay District, Monongalia County, W. Va., northward into Pennsylvania and that since 1954, this line has been used solely by Applicant for the purpose of supplying gas at retail to customers residing in the vicinity of said line. Applicant further states that since its distribution system in northern West Virginia is approximately 20 miles from Line No. 773, the continued rendition of retail gas service in this area is uneconomical and that all of Applicant's customers served by the subject line have consented to Applicant's discontinuance of service with the understanding that gas service will be supplied by Blacksville at no extra cost.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before June 3, 1966.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a

grant of permission and approval for the proposed abandonment is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-5155; Filed, May 11, 1966;
8:45 a.m.]

[Docket No. CP66-346]

SOUTH TEXAS NATURAL GAS GATHERING CO. AND TRUNKLINE GAS CO.

Notice of Application

MAY 5, 1966.

Take notice that on April 29, 1966, South Texas Natural Gas Gathering Co. (South Texas) Post Office Drawer 521, Corpus Christi, Tex., 78403, and Trunkline Gas Co. (Trunkline), Post Office Box 1642, Houston, Tex., 77001 (collectively referred to as Applicants), filed in Docket No. CP66-346 a joint application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the exchange of natural gas in volumes up to 15,000 Mcf per day, and for the construction and operation of measuring and appurtenant facilities necessary to effectuate the proposed exchange, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicants seek authority to construct and operate certain facilities to effectuate the exchange of natural gas between the two companies in accordance with an exchange agreement dated March 11, 1966. Under the terms of said agreement, Trunkline will deliver to South Texas quantities of gas up to 15,000 Mcf per day at a proposed meter station to be constructed, owned, operated, and maintained by Trunkline at a mutually agreeable point on Trunkline's 16-inch pipeline in the J. C. McGill, Jr., et al. Survey, A-704, Brooks County, Tex. The agreement between the parties further provides for the delivery by South Texas of equivalent quantities of gas to Trunkline at Trunkline's existing measuring facilities at the tailgate of the San Jacinto Gas Processing Corp.'s Eagan Plant, Acadia Parish, La., and for the payment by Trunkline to South Texas of the sum of 3 cents per Mcf for each Mcf of exchange gas delivered by South Texas to Trunkline. Applicants state that such sum was arrived at by negotiation between the parties.

Applicants further propose, in addition to the meter station to be constructed by Trunkline at the Brooks County, Tex., delivery point, that South Texas construct approximately 1,500 feet of 6 $\frac{1}{2}$ -inch O.D. interconnecting pipeline and a 250-BHP field compressor to receive gas

at such delivery point. Applicants state that no new facilities will be needed at the Acadia Parish, La., delivery point.

The application states that in accordance with the exchange agreement, South Texas may elect to receive delivery of gas at a mutually agreeable alternate point on Trunkline's pipeline system south of its Premont Compressor Station and may make delivery of gas to Trunkline at a mutually agreeable additional point or points on Trunkline's pipeline system in south Louisiana.

The total estimated cost of the facilities proposed to be constructed by South Texas is \$60,000, and the total estimated cost of the facilities proposed to be constructed by Trunkline is \$15,023. The application states that the cost of the proposed facilities will be financed by the respective companies from funds on hand.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before June 3, 1966.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-5156; Filed, May 11, 1966;
8:45 a.m.]

[Docket No. R168-361]

GRADY L. FOX, ET AL.

Order Providing for Hearing on and Suspension of Proposed Change in Rate, and Allowing Rate Change To Become Effective Subject to Refund

MAY 4, 1966.

Respondent named herein has filed a proposed change in rate and charge of a currently effective rate schedule for the sale of natural gas under Commission jurisdiction, as set forth in Appendix A hereof.

The proposed changed rate and charge may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon a hearing regarding the lawfulness of the proposed change, and that the supplement herein be suspended and its use be deferred as ordered below.

The Commission orders:

(A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR ch. I), and the Commission's rules of practice and procedure, a public hearing shall be held concerning the lawfulness of the proposed change.

(B) Pending hearing and decision thereon, the rate supplement herein is suspended and its use deferred until date shown in the "Date Suspended Until"

column, and thereafter until made effective as prescribed by the Natural Gas Act: *Provided, however,* That the supplement to the rate schedule filed by Respondent shall become effective subject to refund on the date and in the manner herein prescribed if within 20 days from the date of the issuance of this order Respondent shall execute and file under its above-designated docket number with the Secretary of the Commission its agreement and undertaking to comply with the refunding and reporting procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder, accompanied by a certificate showing service of a copy thereof upon the purchaser under the rate schedule involved. Unless Respondent is advised to the contrary within 15 days after the

filing of its agreement and undertaking, such agreement and undertaking shall be deemed to have been accepted.

(C) Until otherwise ordered by the Commission, neither the suspended supplement, nor the rate schedule sought to be altered, shall be changed until disposition of this proceeding or expiration of the suspension period.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before June 15, 1966.

By the Commission.

[SEAL]

JOSEPH H. GUTRIDE,
Secretary.

APPENDIX A

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed increased rate	
RI66-361...	Grady L. Fox, et al., Amarillo Bldg., Amarillo, Tex.	1	1	Panhandle Eastern Pipe Line Co. (Hansford-Hugoton Field, Hansford County, Tex.) (R.R. District No. 10).	\$1,080	4-7-66	1-5-8-66	1-5-9-66	13.0	*14.0	

¹ The stated effective date is the 1st day after expiration of the statutory notice.
² The suspension period is limited to 1 day.

* Pressure base is 14.65 p.s.i.a.

Grady L. Fox, et al., (Fox) request waiver of the statutory notice to permit their rate increase to become effective as of September 28, 1966, the contractually provided effective date. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit an earlier effective date for Fox's rate filing and such request is denied.

Fox's proposed rate increase exceeds the area price level for increased rates in Texas Railroad District No. 10 as set forth in the Commission's statement of general policy No. 61-1, as amended (18 CFR 2.56), and is suspended as ordered herein. However, in view of the circumstances presented with respect to the filing of Fox's rate increase, we conclude that the suspension period should be limited to 1 day from May 8, 1966, the date of expiration of the statutory notice.

[F.R. Doc. 66-5157; Filed, May 11, 1966; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-1946]

CITIES SERVICE INTERNATIONAL CAPITAL CORP.

Notice of Filing of Application for Order Exempting Company

MAY 6, 1966.

Notice is hereby given that Cities Service International Capital Corp. ("applicant"), 60 Wall Tower, New York, N.Y., 10005, has filed an application pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") for an order exempting it from all provisions of the Act and the rules and regulations there-

under. All interested persons are referred to the application on file with the Commission for a statement of the representations therein, which are summarized below:

The applicant was organized by Cities Service Co. ("Cities Service") under the laws of the State of Delaware in March 1966. All of the common stock of applicant, consisting of 10 shares, \$100 par value, has been purchased by Cities Service for \$1,000. Prior to the issuance of the notes hereinafter referred to, Cities Service will make a capital contribution to applicant of additional cash, securities or other property so that the equity capital of applicant will not be less than \$4,000,000 at that time. Any additional securities which applicant may issue, other than debt securities, shall be issued only to Cities Service or to one or more of its wholly owned subsidiaries. Cities Service or its wholly owned subsidiaries will not dispose of such securities, other than debt securities, except to applicant or to another wholly owned subsidiary of Cities Service.

Cities Service, a Delaware corporation, and its consolidated subsidiaries operate in the natural resources fields, primarily in the areas of energy and chemicals, including petroleum, natural gas transmission, carbon black, petrochemicals, copper, copper products, plant foods and printing inks.

A principal purpose for organizing the applicant is to continue the expansion and development of Cities Service's operations outside of the United States while at the same time providing assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation pro-

gram instituted by the President in February 1965.

Applicant intends to issue and sell an aggregate of \$20,000,000 principal amount of its Guaranteed Notes due June 1, 1971 ("Notes"). Cities Service will guarantee the principal and interest payments on the Notes. Any additional debt securities of applicant which may be issued to or held by the public will be guaranteed by Cities Service in a manner substantially similar to the guarantee of the Notes.

It is intended that upon completion of the long-term investment of applicant's assets more than 80 percent of the assets of applicant will be invested in or loaned to foreign companies (including U.S. companies all or substantially all of whose business is carried on abroad) which are primarily engaged in a business other than investing, reinvesting, owning, holding, or trading in securities and which are, or upon the making of such investment will be (1) majority-owned subsidiaries of Cities Service, (2) companies under Cities Service's control, or (3) companies which are engaged in a business related to the business of Cities Service or its subsidiaries, in which Cities Service or the applicant owns an equity interest of 10 percent or more. Applicant will proceed as expeditiously as possible with the investment of its assets in such manner, will not acquire securities for the purpose of sale and will not trade in securities. Pending the development of final investment plans, and from time to time thereafter in connection with changes in long-term investments, applicant will make temporary investments in obligations (including time deposits) of foreign governments, foreign financial

institutions, other foreign persons, and foreign branches of U.S. financial institutions, payable in U.S. dollars or other currencies, in each case maturing in 1 year or less from the date of acquisition thereof.

The Notes are to be offered and sold under conditions which are intended to assure that the Notes will not be offered or sold in the United States, its territories, or possessions, or to nationals or residents of the United States, its territories, or possessions. The contracts relating to such offer and sale will contain various provisions intended to assure that the Notes will not be purchased by nationals or residents of the United States, its territories, or possessions. Any additional debt securities of applicant which may be sold to the public in the future will be sold under the same conditions.

Counsel has advised the applicant that U.S. persons will be required to report and pay interest equalization tax with respect to acquisitions of the Notes, except where a specific statutory exemption is available. Thus, by financing its foreign operations through the applicant rather than through sale of its own debt obligations, Cities Service will utilize an instrumentality the acquisition of whose debt obligations by U.S. persons would, generally, subject such persons to interest equalization tax, thereby tending to discourage them from acquiring such debt obligations from the foreign purchasers thereof or from persons to whom any of such purchasers might resell any thereof.

The Notes will not be registered under the Securities Act of 1933 or the Securities Exchange Act of 1934 and will not be listed on a stock exchange located in the United States. The applicant will use its best efforts to have the Notes listed on the Luxemburg Stock Exchange. The stock of Cities Service is listed on the New York Stock Exchange, the Midwest Stock Exchange, and the Boston Stock Exchange and is registered under the Securities Exchange Act of 1934.

Applicant submits that it is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act for the Commission to enter an order exempting applicant from each and every provision of the Act for the following reasons: (1) A principal purpose of the applicant is to provide a vehicle through which Cities Service may obtain funds in foreign countries for its foreign operations and for the foreign operations of its subsidiaries and affiliates while assisting in improving the balance-of-payments position of the United States; (2) the payment of the Notes, which is guaranteed by Cities Service, does not depend solely on the operations or investment policy of the applicant, because as a result of the guarantee, the Note holders may ultimately look to the business enterprise of Cities Service rather than solely to that of the applicant; (3) none of the secu-

rities of the applicant (other than debt securities) will be held by any person other than Cities Service or a wholly owned subsidiary of Cities Service; (4) applicant will not permit any debt securities to be issued to or held by the public unless they are fully guaranteed by Cities Service; (5) applicant will not deal or trade in securities; (6) applicant's Noteholders will have the benefit of the disclosure and reporting provisions of the Securities Exchange Act of 1934 and of the New York, Midwest, and Boston Stock Exchanges as to Cities Service; (7) the Notes will be offered only to foreign nationals under circumstances designed to prevent reoffering or resale to any U.S. national or resident.

Notice is further given that any interested person may, not later than May 19, 1966, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues, if any, of fact or of law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon applicant at the address stated above. Proof of such service (by affidavit or, in case of an attorney at law, by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 66-5169; Filed, May 11, 1966;
8:46 a.m.]

[File No. 14-1]

ELKTON CO.

Order Suspending Trading

MAY 6, 1966.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, 1 cent par value, of the Elkton Co., otherwise than on a national securities exchange, is required in the public interest and for the protection of investors:

It is ordered, Pursuant to section 15 (c) (5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this

order to be effective for the period May 8, 1966, through May 17, 1966, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 66-5170; Filed, May 11, 1966;
8:46 a.m.]

[File No. 1-3782]

GREAT AMERICAN INDUSTRIES, INC.

Order Suspending Trading

MAY 6, 1966.

The common stock, 10 cents par value, of Great American Industries, Inc., being listed and registered on the American Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934 and the 6 percent cumulative preferred stock, Series A, \$10 par value, being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such Exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to sections 15 (c) (5) and 19(a) (4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period May 9, 1966, through May 18, 1966, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 66-5171; Filed, May 11, 1966;
8:47 a.m.]

PINAL COUNTY DEVELOPMENT ASSOCIATION

Order Suspending Trading

MAY 6, 1966.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the 5% percent Industrial Development Revenue Bonds of Pinal County Development Association due April 15, 1989, otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to section 15 (c) (5) of the Securities Exchange Act of 1934 that trading in such bonds be summarily suspended this order to be effective for the period May 9, 1966, through May 18, 1966, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 66-5172; Filed, May 11, 1966;
8:47 a.m.]

[File No. 1-3393]

VTR, INC.

Order Suspending Trading

MAY 6, 1966.

The common stock, \$1 par value, of VTR, Inc., being listed and registered on the American Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to sections 15(c) (5) and 19(a) (4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period May 7, 1966, through May 16, 1966, both dates inclusive.

By the Commission.

[SEAL]

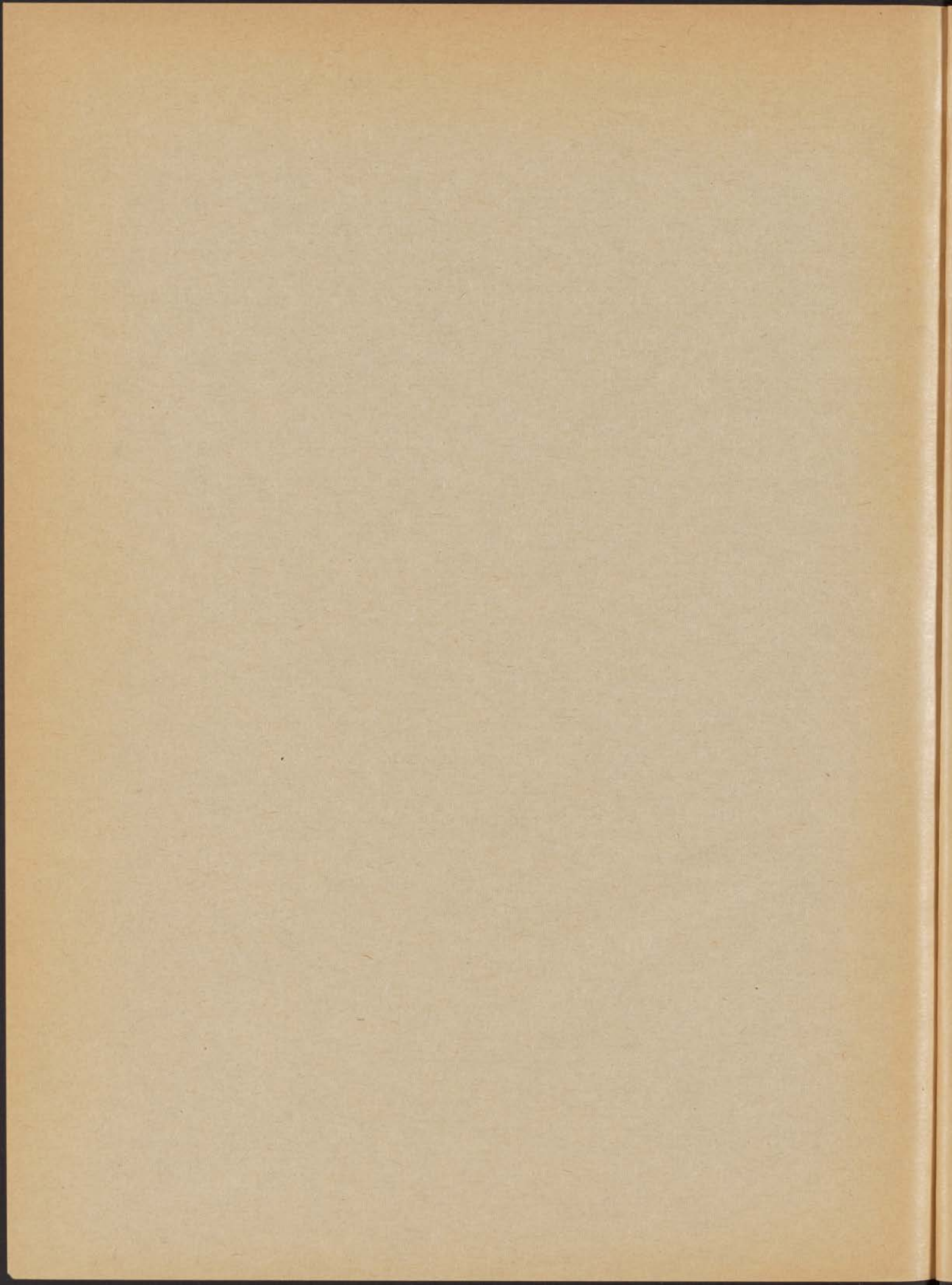
ORVAL L. DuBois,
Secretary.

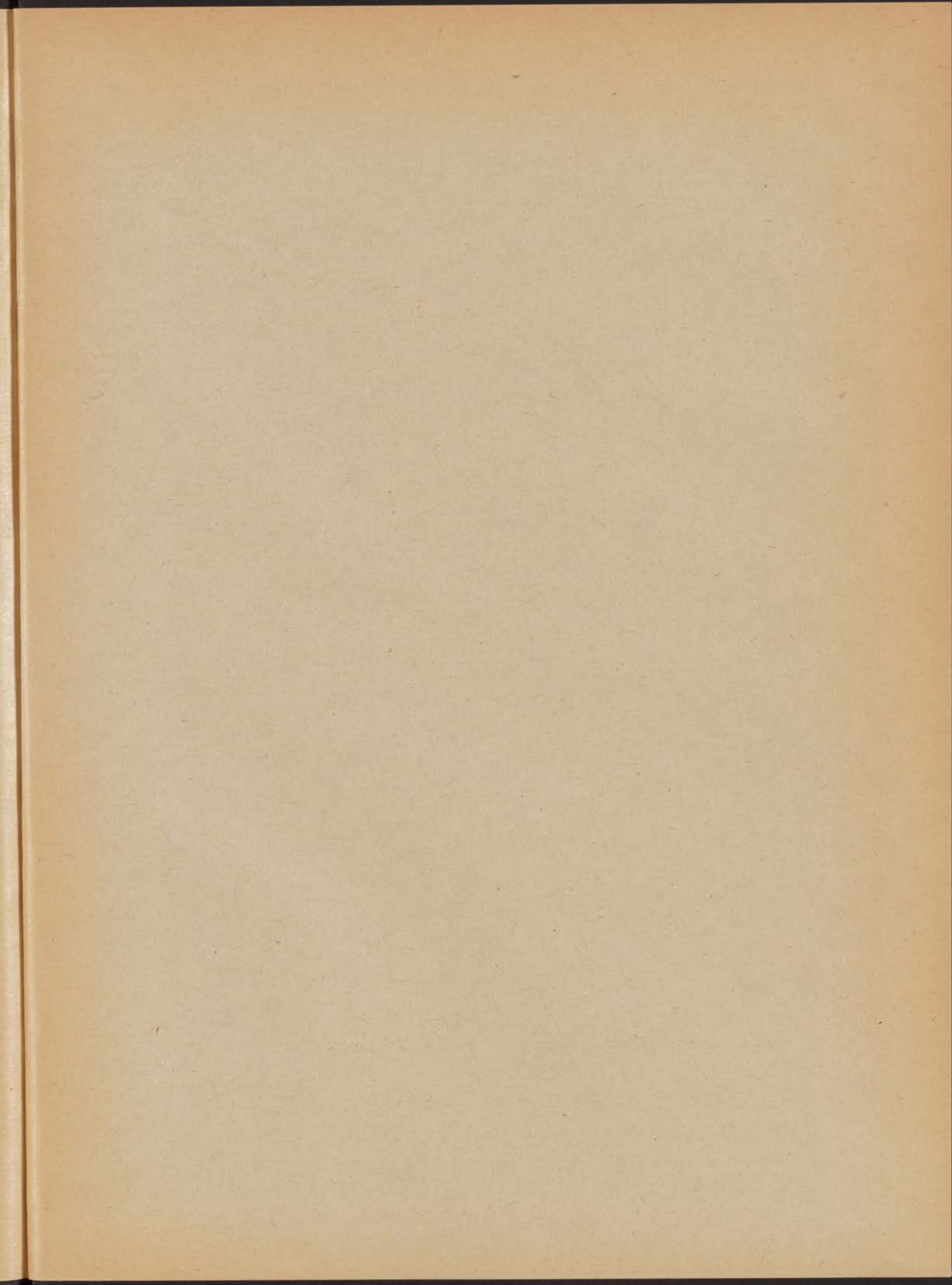
[F.R. Doc. 66-5173; Filed, May 11, 1966;
8:47 a.m.]

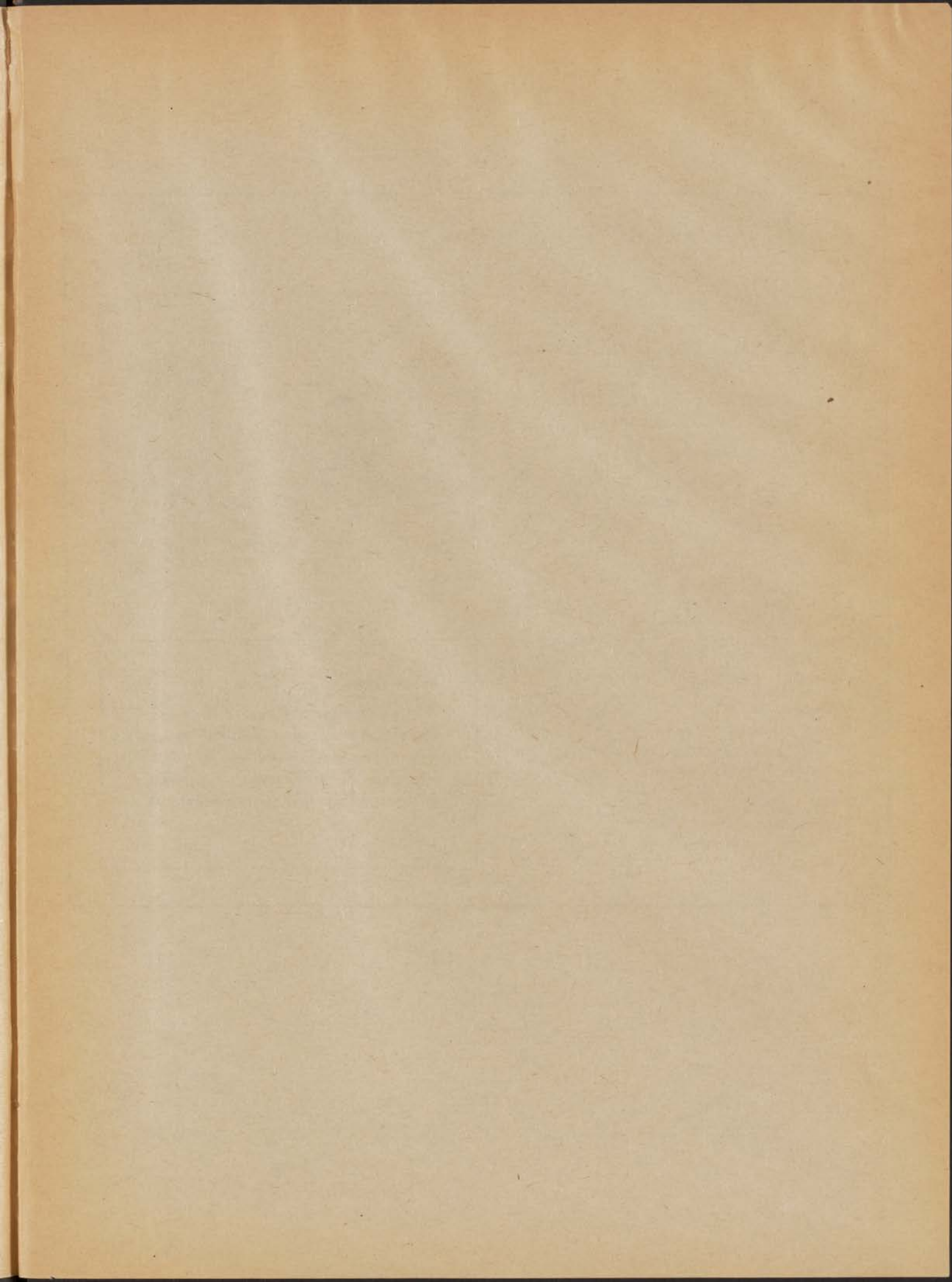
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